JOURNAL

of the

HOUSE OF REPRESENTATIVES

of the

General Assembly

of the

Commonwealth of Kentucky

Regular Session of 1992

Volume II

Held in the State Capitol in the Capital City of Frankfort, at
Frankfort, in the Year of Our Lord 1992, and
in the Two Hundredth
Year of the Commonwealth

Begun on the Seventh Day of January, 1992, and Adjourned
Sine Die on the Fourteenth Day of April, 1992.

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FOREWORD

The Constitution requires each house of the General Assembly to keep a Journal of its proceedings. The Journal is intended to assure a public account of legislative activity and constitutes the final official record of action by the General Assembly.

Under the provisions of Sections 6.161, 6.162 and 57.151 of the *Kentucky Revised Statutes*, the Legislative Research Commission is responsible for comparing, editing, correcting, and publishing the Journals as approved by each house of the General Assembly. This Journal represents the fulfillment of this obligation for the Regular Session of the House of Representatives of 1992.

The text of a bill is spread in full when it receives a first reading. The vote on passage of a bill is indicated upon its receipt of a third reading, or upon concurrence by the originating house in amendments by the second house. Simple and concurrent resolutions are printed on first reading when applicable or when adopted, and joint resolutions are treated as bills. A table of actions on bills and resolutions is appended. Roll calls on motions to pass legislation have been compiled in an Appendix.

Mrs. Jean Wallace and Mrs. Wilda Bond prepared House Journal for the Regular Session of 1992. The edited copy and index in this Journal reflect the cooperative efforts of the Commission's staff.

VIC HELLARD, JR.
Director

The Capitol
Frankfort, Kentucky
April, 1992

WEDNESDAY, MARCH 4, 1992

THIRTY-SEVENTH LEGISLATIVE DAY

The House was called to order by Speaker Blandford.

Prayer by Reverend Rick Bard, Virginia Avenue United Methodist Church, Louisville.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative McElroy moved that the reading of the Journal of March 3, 1992 be dispensed with and the same approved. Agreed.

Senate Message

Announcing passage of **SB 80**, **SB 157**, **SB 234**, **SJR 37**, **HB 82**, **HB 271**, **HB 310** and **HB 331**. (Time: 2:03 p.m.)

Message received in regard to **HB 498**: The Senate has passed **HB 498** by way of Committee Substitute with Senate Floor Amendment No. 1 and respectfully request concurrence of this Honorable Body.

Report on Enrolled Bills

The Committee on Enrollment reported that **HB 196** has been examined and found correctly enrolled. Said Bill was read at length, compared and signed in open session by the Speaker, and ordered delivered to the Senate. (Time - 2:04 p.m.)

HB 196 was delivered to the Senate and signed by the President. Delivered to the Governor on March 4, 1992 at 2:23 p.m.

Introduction of Bills and Resolutions

HB 824, by Representative Adkins: AN ACT relating to collection of taxes.

HB 825, by Representatives Mason, Mack, Ravenscraft, Gray and Hatcher: AN ACT relating to child sexual abuse.

HB 826, by Representatives Mason, Bentley, Ridley and Adkins: AN ACT relating to motor fuels taxes.

HB 827, by Representatives Richardson, Mack and Noland: AN ACT relating to retirement.

HB 828, by Representatives Yates, Donnermeyer and Hancock: AN ACT relating to gas and electric public utilities, and declaring an emergency.

HB 829, by Representative Rapier: AN ACT relating to motor vehicle operator's licenses.

HB 830, by Representative Donnermeyer: AN ACT relating to the enforcement of city ordinances.

HB 831, by Representative Donnermeyer: AN ACT relating to charitable gaming.

Reference of Bills and Resolutions

The Clerk reported that the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **HB 791**, **HB 793**, **HB 801**, **HB 811**

Appropriations and Revenue: **HB 789**, **HB 823**, **SB 137**

Business Organizations and Professions: **SB 29**

Cities: **HB 795**, **HB 813**, **SB 215**, **HB 800**

Counties and Special Districts: **HB 792**

Economic Development: **HB 796, HB 812, HB 821**

Education: **HB 807, HB 808, HB 788**

Elections and Constitutional Amendments: **HCR 153, HB 810**

Health and Welfare: **HB 798, HB 799, HB 804**

Judiciary: **HB 802, SB 87, SB 160**

Labor and Industry: **HB 794, HB 814, HB 815**

Natural Resources and Environmental Protection: **SB 190**

State Government: **HCR 158, HB 797, HB 805, HB 809, HB 819, HB 820, HB 822, HB 816**

Tourism Development and Energy: **HB 803, HB 817, HB 818, HCR 154**

Transportation: **HB 790, HB 806**

Posting of Bills and Resolutions for Consideration

The Clerk announced that the following Bills have been posted for Committee consideration:

Tourism Development and Energy: **HB 536, HB 679, HB 691**

Banking and Insurance: **HB 785, SB 108, SB 139, SB 212, SB 213, SB 214**

Report of Committees

The Committee on Appropriations and Revenue reported **HB 361**, with Committee Substitute and Committee Amendment attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

The Committee Substitute to **HB 361** is as follows:

HB 361, AN ACT relating to highways.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 176 IS CREATED TO READ AS FOLLOWS:

As used in Sections 2 and 3 of this Act:

(1) "Corridor" means any highway designed and planned for eventually being constructed as a four-lane major route, which may connect a rural area to its regional center, or to another corridor, and may include an existing highway facility or one that is currently not constructed to meet the four-lane criterion;

(2) The "Kentucky highway corridor fund" means the special account created within the Transportation Cabinet, from proceeds from the road fund, federal funding sources, general fund, private sources, or any other source, and designated for completion of the corridor system; and

(3) "Designated corridor system" means that system of strategic corridors set out in Section 2 of this Act, which may include the interstate highways, parkways, the Appalachian development system, and other routes of significance, but does not necessarily mean an exact route as it currently exists.

SECTION 2. A NEW SECTION OF KRS CHAPTER 176 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky highway corridor fund is hereby established, which shall be used exclusively for the purposes of completing the following designated corridor system:

(a) East-to-west corridors:

1. Interstate 64;

2. Mountain Parkway from Interstate 64 to Campton;

3. Bluegrass Parkway;

4. Western Kentucky Parkway;

5. Cumberland Parkway;

6. Interstate 24;

7. Audubon Parkway;

8. United States Route 25 East;

9. United States Route 460; and

10. Kentucky Route 150, from Stanford to Mt. Vernon;

(b) North-to-south corridors:

1. Interstate 75;

2. Interstate 65;

3. Green River Parkway;

4. Pennyrile Parkway;

5. Purchase Parkway;

6. Interstate 71;

7. United States Route 23; and

8. United States Route 127;

(c) Circumferential corridors:

1. Interstate 265;

2. Interstate 275;

3. Kentucky Route 922;

4. Kentucky Route 4;

5. United States Route 25; and

6. Interstate 264; and

(d) The following routes:

1. Kentucky Route 32, from Morehead to Flemingsburg;

2. A new route from Flemingsburg to Corinth;

3. United States Route 431, from Owensboro to the Tennessee state line;

4. AA Highway, from Interstate 275 to Quincy, from Quincy to Greenup, and from Vanceburg to Grayson;

5. Kentucky Route 80, from East Bernstadt to Shopville;

6. Kentucky Route 92, from Williamsburg to Monticello;

7. Kentucky Route 90/Kentucky Route 61, from Burnside to Glasgow and from Burksville to the

Tennessee state line;

8. United States Route 68, from Maysville to Lexington and from Lexington to Edmonton;

9. United States Route 231, from Bowling Green to Scottsville;

10. United States Route 60, from Wickliffe to Paducah, from Paducah to Henderson, from Henderson to Hawesville, and from Hawesville to Muldraugh;

11. United States Route 51, from Fulton to Wickcliffe;

12. United States Route 68/Kentucky Route 80, from Bowling Green to Cadiz, from Cadiz to Hardin, and from Hardin to Mayfield;

13. Kentucky Route 121, from Mayfield to Wickcliffe;

14. United States Route 119, from South Williamson to Pikeville, from Pineville to Whitesburg, and from Whitesburg to Jenkins;

15. United States Route 460, from Pikeville to the Virginia state line;

16. Mountain Parkway/Kentucky Route 114, from Campton to Prestonsburg;

17. Kentucky Route 15, from Campton to Jackson, from Jackson to Hazard, and from Hazard to Whitesburg;

18. Kentucky Route 7, from Grayson to Salyersville;

19. Kentucky Route 11, from Slade to Manchester;

20. United States Route 421, from Ohio River to Interstate 75, from Richmond to Manchester, and from Hyden to the Virginia state line;

21. Daniel Boone Parkway; and

22. United States Route 641.

(2) Corridors may be added to or deleted from the designated corridor system upon recommendation of the Transportation Cabinet and approval of the recommendations by the General Assembly by amendment to this section during a regular session. A recommendation for change shall be submitted no later than the fifteenth day of a regular session. Failure of the General Assembly to take action on the recommendations shall not imply acceptance.

SECTION 3. A NEW SECTION OF KRS CHAPTER 176 IS CREATED TO READ AS FOLLOWS:

(1) (a) Beginning with the program submitted to the 1994 Regular Session of the General Assembly, the Transportation Cabinet shall present to the General Assembly a separate designated corridor system construction and preconstruction program detailed in the same manner and at the same time as the program submitted according to KRS 176.420(2). Projects set forth in the designated corridor system program shall be included as a separate section of the biennial construction and preconstruction program in KRS 176.420(2).

(b) Upon approval by the 1992 Regular Session of the General Assembly of the biennial construction program and four (4) year preconstruction program described in KRS 176.420(2) and (3), the cabinet shall prepare a separate section for the designated corridor system projects scheduled for work during the ensuing biennium. In addition, the funding scheduled for the ensuing biennium for projects in the designated corridor system, shall be placed in the Kentucky highway corridor fund, and reports shall be made to the General Assembly in the same manner as designated in KRS 176.430(4).

(c) The cabinet shall provide to the General Assembly during each regular session, an update involving information related to anticipated costs of completing the projects in the long-range designated corridor system.

(d) The cabinet shall make a separate designation for those items that include minor reconstruction and spot improvements necessary to maintain the functional integrity of the existing system either on an adequate corridor or corridors needing development.

(2) (a) The average percentage of road fund receipts designated for use on corridors in the current and previous two (2) biennial construction plans shall determine the percentage of road fund receipts that shall be appropriated to the Kentucky highway corridor fund in ensuing bienniums.

(b) The cabinet shall make every effort to secure funds, over and above the percentage established in subsection (2)(a) of this section, for the highway corridor fund, including, but not limited to, the use of tolls, intergovernmental agreements, privitization, and any other means of alternative funding in order to accelerate full development of the designated corridor system.

Section 4. KRS 45.245 is amended to read as follows:

The provision of any other law notwithstanding:

(1) The Governor shall include in the executive branch budget recommendation and in the draft budget bill for the executive branch submitted to each regular session of the General Assembly pursuant to KRS 48.100, for the biennium period beginning July 1, 1992, and for each biennium thereafter, the appropriations by each source of funds for a recommended highway construction program.

(2) The Governor shall submit a recommended highway construction program and a draft joint biennial highway construction resolution at the time prescribed for submission of the branch budget recommendations pursuant to KRS 48.100.

(3) The recommended highway construction program shall include:

(a) A complete list and summary description of each specific highway project recommended for funding during the biennium; and

(b) For each project:

1. The county and highway district;

2. The highway department item number which shall remain in effect throughout the life of the project;

3. The route number and total miles to be constructed;

4. A project description;

5. The fiscal year each project phase is to commence and the estimated cost of each project phase; and

6. The source of funding to be used.

(4) All information required by subsection (3) of this section shall be included in the recommended highway construction program. The joint biennial highway construction resolution shall contain only the information specified in subsection (3)(a) of this section and subparagraphs 1., 2., 5., and 6. of subsection (3)(b) of this section.

(5) During the biennium beginning July 1, 1992, and during each biennium thereafter, the amount allotted, from all sources, for expenditure on any project in the state highway construction program for that biennium, shall not exceed the estimated cost of the project as shown in the joint biennial highway construction resolution for the executive branch enacted by the General Assembly, except as provided in KRS 45.247 and 45.248.

(6) Appropriations from the road fund to the recommended highway construction program shall be based on the revenue estimates pursuant to KRS 48.120. If additional highway construction projects are proposed which exceed revenue estimates pursuant to KRS 48.120 or which require the suspension or modification of an existing statute, the projects shall be separately stated and categorized with the recommended funding source and account. ***Projects in the designated corridor system as set out in Section 2 of this Act shall be included in any additional highway construction projects at the percentage of funding as determined pursuant to subsection (2)(a) of Section 3 of this Act.***

The Committee on Appropriations and Revenue reported **HB 591**, **HB 608** and **HCR 20**, with Committee Substitute and Title Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 591, AN ACT relating to motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 138.450 is amended to read as follows:

As used in KRS 138.455 to 138.470, unless the context requires otherwise:

(1) "Dealer" means any person engaged in the sale of motor vehicles at retail;

(2) "Motor vehicle" means any vehicle that is propelled by other than muscular power and that is used for transportation of persons or property over the public highways of the state, except road rollers, mopeds, vehicles that travel exclusively on rails, and vehicles propelled by electric power obtained from overhead wires;

(3) "Moped" means either a motorized bicycle whose frame design may include one (1) or more horizontal crossbars supporting a fuel tank so long as it also has pedals, or a motorized bicycle with a step through type frame which may or may not have pedals rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, an automatic transmission not requiring clutching or shifting by the operator after the drive system is engaged, and capable of a maximum speed of not more than thirty (30) miles per hour;

(4) Except as provided in subsection (5) of this section, "retail price" shall be determined as follows:

(a) For new motor vehicles "retail price" shall be ninety percent (90%) of the manufacturer's suggested retail price of the vehicle with all equipment and accessories, standard and optional, and transportation charges. ***"Retail price" shall not include that portion of the price of the vehicle attributable to equipment or adaptive devices necessary to facilitate or accommodate a physically handicapped operator or passenger***;

(b) For used motor vehicles whose values appear in the automotive reference manual prescribed by the Revenue Cabinet, "retail price" shall be the value given in such reference manual;

(c) For the older used motor vehicles whose values no longer appear in the automotive reference manual, "retail price" shall be determined as follows:

Number of Years Removed From Manual	Retail Price
1	75% of value of same make vehicle last appearing in manual
2	50% of value of same make vehicle last appearing in manual
3	25% of value of same make vehicle last appearing in manual
All Others	10% of value of same make vehicle last appearing in manual;

(d) In the case of used motor vehicles previously registered in this state, which are sold in this state, a trade-in allowance equal to the "retail price" of the vehicle taken in trade shall be deducted in computing the "retail price" of the vehicle sold.

(e) If a holder of a U-Drive-It permit transfers a vehicle which he has registered as a U-Drive-It within one hundred eighty (180) days of such registration, and if less than five thousand (5000) miles have been placed on the vehicle during the period of its registration as a U-Drive-It, then the "retail price" of such vehicle shall be the same as the retail price determined in subsection (4)(b) or (c) of this section computed as of the date on which the vehicle is transferred except that the provisions of subsection (d) of this section shall not apply.

(5) "Wrecked motor vehicle" means any motor vehicle damaged by any cause except wear and tear or rust, including but not limited to damage caused by collision, fire, flood, wind or vandalism. Any other provision of subsection (4) notwithstanding, the retail price of a wrecked motor vehicle shall be the retail price as determined without reference to this subsection minus the average of the repair estimates submitted to the county clerk. The owner of the wrecked motor vehicle shall obtain a minimum of two (2) repair estimates from disinterested persons regularly engaged in the repair of motor vehicles and submit them to the county clerk.

HB 608, AN ACT relating to revocation of license to mine coal by delinquent taxpayers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 131.181 is amended to read as follows:

(1) Whenever it is determined that a taxpayer, who holds a license to mine coal in Kentucky under KRS 351.175, is a "delinquent taxpayer" as defined in subsection ***(3)***[~~(2)~~] of this section, the Revenue Cabinet shall, after giving notice as provided in subsection ***(4)***[~~(3)~~] of this section, submit the name of ***the*** [~~such~~] taxpayer to the Department of Mines and Minerals for revocation of the license issued under KRS 351.175.

(2) If it is determined that a person who is an agent, contract miner, or delegate of a delinquent taxpayer as defined in subsection (3) holds a license to mine coal for the delinquent taxpayer in Kentucky under KRS 351.175, the Revenue Cabinet shall, after giving notice as provided in subsection (4) of this section, submit the name of the agent, contract miner or delegate to the Department of Mines and Minerals for revocation of the license issued under KRS 351.175 to mine coal for the delinquent taxpayer.

(3)[~~(2)~~] ***Any*** [~~Either~~] of the following situations is sufficient to cause a taxpayer to be classified as a "delinquent taxpayer" for purposes of this section:

(a) When a taxpayer [~~holding a license under KRS 351.175~~] has an overdue state tax liability arising directly or indirectly from the mining, transportation or processing of coal, for which all protest and appeal rights granted by law have expired and has been contacted by the cabinet concerning the overdue tax liability. This does not include a taxpayer who is making current timely installment payments on ***the*** [~~such~~] overdue tax liability under agreement with the cabinet.

(b) When a taxpayer [~~holding a license under KRS 351.175~~] has not filed a required tax return as of thirty (30) days after the due date or after the extended due date, and has been contacted by the cabinet concerning the delinquent return. This applies only to tax returns required as the result of the taxpayer's involvement in the mining, transportation or processing of coal.

(c) When an owner, partner, or corporate officer of a proprietorship, partnership, or corporation holding a license under KRS 351.175, held a similar position in a business whose license was revoked as a "delinquent taxpayer", and the tax liability remains unpaid.

(4)[~~(3)~~] At least twenty (20) days in advance of submitting a taxpayer's name to the Department of Mines and Minerals as provided in subsection (1) ***or (2)*** of this section, the cabinet shall notify the taxpayer by certified mail that ***the*** [~~such~~] action is to be taken. The notice shall state the reason for ***the*** [~~such~~] action and shall set out the amount of any tax liability including any applicable penalties and ***interest*** [~~interests~~] and any other area of noncompliance which must be satisfied in order to prevent the submission of his name to the Department of Mines and Minerals as a "delinquent taxpayer."

(5) If it is determined that an applicant for a license to mine coal under the provisions of KRS 351.175 is a delinquent taxpayer as defined in subsection (3) of this section, or is an agent, contract miner, or delegate of a delinquent taxpayer, the Department of Mines and Minerals shall refuse a mine license to the applicant.

Section 2. KRS 351.175 is amended to read as follows:

(1) Within forty-five (45) days after January 1, 1953, and of each year thereafter, the owner, operator, or lessee of each mine shall procure from the department a license to operate such a mine, and such license shall not be transferable. Any owner, operator, or lessee who assumes control of a mine, opens a new mine or reopens an abandoned mine during any calendar year shall procure such license before mining operations are begun.

(2) The license shall be in such printed form as the commissioner may prescribe and when issued shall be kept posted at a conspicuous place near the main entrance of the mine.

(3) Requests for such license shall be made to the department and such requests shall be accompanied by a U.S. postal money order or cashier's check drawn in favor of the State Treasurer in a reasonable amount established by regulations promulgated by the commissioner of a minimum of one hundred dollars ($100) and a maximum of one thousand dollars ($1,000). When the annual report of the operator and the annual mine map, as required by KRS 351.170 and 352.450, together with a certification from the commissioner of the Department of Workers' Claims that the applicant for license has presented positive proof of compliance with the provisions of KRS Chapter 342, ***and a certification from the secretary of the Revenue Cabinet that the applicant is not a "deliquent taxpayer" as defined in KRS Chapter 131,*** are properly submitted to the department, the license shall be issued. The commissioner or his accredited agents shall have the authority to extend the time for filing of the map not to exceed an additional forty-five (45) days. Upon receipt of

withdrawal of the certification of the commissioner of the Department of Workers' Claims, or upon receipt of notice from the secretary of revenue that the licensee is a "delinquent taxpayer," as defined in KRS Chapter 131, the department shall forthwith revoke any license hereunder issued. Revocation of said license shall be an administrative function of the department. Appeal of said administrative function shall lie in the Fayette Circuit Court.

(4) The mine inspector shall have the authority to stop production at the mine of any operator who fails to procure a license or fails to furnish a certification of workers' compensation coverage as required under this section.

(5) The department shall be authorized to seek injunctive relief for any violation of this section.

(6) The application for a license shall be accompanied by a transportation plan. The transportation plan shall include any proposal by the applicant to obtain a special permit pursuant to the provisions of KRS 189.271 to exceed the weight limits on any highway or bridge.

(7) A license which has been revoked under the "delinquent taxpayer" provision shall not be reissued until a written tax clearance has been received from the secretary of revenue.

(8) No mine underlying a cemetery shall be licensed by the commissioner unless two-thirds (2/3) of the governing body of that cemetery vote in approval of the operation. The application for a license shall contain an affidavit setting forth the approval of the cemetery's governing body. This subsection applies only to those cemeteries with governing bodies.

HCR 20, A CONCURRENT RESOLUTION to create a Task Force to study the tax system of the Commonwealth of Kentucky.

WHEREAS, Kentucky's current system of taxation employs in excess of fifty separate levies to raise revenue for the state's General and Road Funds;

WHEREAS, the combined levies generate in excess of five billion dollars, annually;

WHEREAS, the state's tax system affects both individual and business taxpayers;

WHEREAS, the General Assembly enacted a substantial increase in a small, selected number of taxes during its 1990 Session;

WHEREAS, a comprehensive study of the state's tax system has not been made in recent years;

WHEREAS, the people of Kentucky are concerned about the burdensome and complicated tax system of the Commonwealth; and

WHEREAS, a reform of the tax system could produce positive results for the state through a more equitable mechanism for raising state revenue;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Speaker of the House of Representatives and the President Pro Tem of the Senate are directed to appoint a Tax Reform Task Force, to study the state's current tax system and recommend reforms which would distribute the tax burden more fairly among all Kentucky taxpayers.

Section 2. That the Task Force shall consist of members of the House to be appointed by the Speaker of the House, members of the Senate to be appointed by the President Pro Tem of the Senate, and private citizens of the Commonwealth to be appointed jointly by the Speaker and President Pro Tem. The number of members and the selection of chairman shall be at the discretion of the Legislative Research Commission, except that the chairman of the House and Senate Appropriations and Revenue Committees shall be appointed members of the Task Force, and except that the Task Force membership shall be representative of the citizenry in terms of political registration, gender, and race, and include representatives of both business and labor.

Section 3. That the findings and recommendations of the Task Force shall be submitted to the Legislative Research Commission by October 1, 1993.

Section 4. That the Legislative Research Commission shall provide administrative support services to the Task Force.

Section 5. That staff services in support of the Task Force are estimated to be twenty-five thousand dollars ($25,000). These services shall be provided from the regular Commission budget and are subject to the limitations and other research responsibilities of the Commission.

The Committee Substitute to **HCR 20** is as follows:

HCR 20, A CONCURRENT RESOLUTION to create a Task Force to study the tax system of the Commonwealth of Kentucky.

WHEREAS, Kentucky's current system of taxation employs in excess of fifty separate levies to raise revenue for the state's General and Road Funds;

WHEREAS, the combined levies generate in excess of five billion dollars, annually;

WHEREAS, the state's tax system affects both individual and business taxpayers;

WHEREAS, the General Assembly enacted a substantial increase in a small, selected number of taxes during its 1990 Session;

WHEREAS, a comprehensive study of the state's tax system has not been made in recent years;

WHEREAS, the people of Kentucky are concerned about the burdensome and complicated tax system of the Commonwealth; and

WHEREAS, a reform of the tax system could produce positive results for the state through a more efficient and equitable mechanism for raising state revenue;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Interim Joint Committee on Appropriations and Revenue study the state's current tax system and recommend reforms which would distribute the tax burden more fairly among all Kentucky taxpayers, and simplify the reporting requirements for the state's taxpayers.

Section 2. That the findings and recommendations of the Committee shall be submitted to the Legislative Research Commission by November 1, 1993.

Section 3. That staff services in support of the Task Force are estimated to be ten thousand dollars ($10,000). These services shall be provided from the regular Commission budget and are subject to the limitations and other research responsibilities of the Commission.

The Committee Title Amendment to the Committee Substitute to **HCR 20** is as follows:

Amend printed copy of **HCR 20/HCS** as follows:

By amending the title to read "A CONCURRENT RESOLUTION to study the tax system of the Commonwealth of Kentucky.

The Committee on Appropriations and Revenue reported **HB 605**, with Committee Substitute attached thereto, **HB 772**, with Committee Amendment attached thereto, and **HJR 116**, with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Consent Calendar.

HB 605, AN ACT relating to taxation of malt beverages.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 243.730 is amended to read as follows:

(1) (a) Wholesalers of distilled spirits and wine shall pay and report the tax levied by KRS 243.720 (1) and (2) on or before the twentieth day of the calendar month next succeeding the month in which possession or title of the distilled spirits and wine is transferred from the wholesaler to retailers or consumers in this state, in accordance with rules and regulations of the Revenue Cabinet designed reasonably to protect the revenues of the Commonwealth.

(b) ***Distributors or retailers*** [~~Brewers~~] of malt beverages***, who purchase malt beverages directly from the brewer,*** shall ***collect from the brewer the tax levied by KRS 243.720(3) at the time the brewer sells, transfers or passes title to the malt beverage to the distributor or retailer. The distributor or retailer shall*** [~~pay and~~] report ***and remit*** the tax ***collected from the brewer to the Revenue Cabinet*** [~~levied by KRS 243.720(3)~~] on or before the twentieth day of the calendar month next succeeding the month in which the ***tax was collected. Any returns and payments shall be made*** [~~brewer sells, transfers, or passes title of the malt beverage to a distributor, retailer or consumer within this state,~~] in accordance with rules and regulations of the Revenue Cabinet designed reasonably to protect the revenues of the Commonwealth. ***If a brewer sells, transfers, or passes title to malt beverages to any person in this state other than a distributor or retailer, the brewer shall be responsible for paying and reporting the tax levied by KRS 243.740(3) in accordance with the provisions of subsection (c) of this section.***

(c) ***Every brewer selling, transferring or passing title to malt beverages to any person in this state other than a distributor or retailer, and*** every other person selling, transferring, or passing title of distilled spirits, wine or malt beverages to distributors, retailers or consumers shall report and pay the tax levied by KRS 243.720(1), (2) or (3) on or before the twentieth day of the calendar month next succeeding the month in which possession or title of distilled spirits, wine or malt beverages is transferred to a distributor, retailer or consumer in this state, in accordance with rules and regulations of the Revenue Cabinet designed reasonably to protect the revenues of the Commonwealth.

(d) Every distributor, retailer or consumer possessing, using, selling or distributing distilled spirits, wine or malt beverages in this state upon which the tax levied by KRS 243.720(1), (2) or (3) and KRS 243.884 has not been paid shall be jointly and severally liable for reporting and paying the tax due, in accordance with rules and regulations of the Revenue Cabinet designed reasonably to protect the revenues of the Commonwealth. Such liability shall not be extinguished until the tax has been paid to the Revenue Cabinet.

(2) Every wholesaler of distilled spirits or wine before using, selling or distributing by sale or gift distilled spirits and wine shall qualify with the Revenue Cabinet. In order to so qualify, each wholesaler shall furnish to the Revenue Cabinet a certified copy of the bond required to be filed with the Cabinet of Alcoholic Beverage Control under the provisions of KRS 243.400(2).

(3) Notwithstanding the provisions of KRS 243.400(1), every brewer before selling or distributing by sale or gift malt beverages, or before importing malt beverages into the state, shall qualify with the Revenue Cabinet by filing with the cabinet a corporate surety bond in the minimum amount of one thousand dollars ($1,000) or an amount equal to three (3) times his average monthly Kentucky malt beverage tax liability, whichever is greater. The bond shall be on a form prescribed by the cabinet and shall have corporate surety registered by the cabinet of insurance. The brewer shall be the principal obligor and the state the obligee. The bond shall be conditioned upon the prompt payment by the brewer to the ***distributor, retailer or*** Revenue Cabinet of all malt beverage taxes due, with penalties and interest.

(4) The cabinet shall have the power to require a bond from any other person liable for Kentucky distilled spirits, wine or malt beverage taxes provided such person is not otherwise required to post a bond under the provisions of this section. The amount of the bond for persons liable for Kentucky distilled spirits or wine taxes shall be computed as provided in KRS 243.400(2). The amount of the bond for persons liable for Kentucky malt beverage taxes shall be computed as provided in subsection (3) of this section.

Section 2. The provisions of this Act shall be effective beginning August 1, 1992.

The Committee Substitute to **HB 605** is as follows:

HB 605, AN ACT relating to taxation of malt beverages.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 243.730 is amended to read as follows:

(1) (a) Wholesalers of distilled spirits and wine shall pay and report the tax levied by KRS 243.720 (1) and (2) on or before the twentieth day of the calendar month next succeeding the month in which possession or title of the distilled spirits and wine is transferred from the wholesaler to retailers or consumers in this

state, in accordance with rules and regulations of the Revenue Cabinet designed reasonably to protect the revenues of the Commonwealth.

(b) ***Distributors or retailers*** [~~Brewers~~] of malt beverages***, who purchase malt beverages directly from a brewer,*** shall pay and report the tax levied by KRS 243.720(3) on or before the twentieth day of the calendar month next succeeding the month in which the brewer sells, transfers, or passes title of the malt beverage to ***the*** [~~a~~] distributor ***or***[~~,~~] retailer [~~or consumer within this state~~], in accordance with rules and regulations of the Revenue Cabinet designed reasonably to protect the revenues of the Commonwealth. ***The credit allowed brewers in this state, under the provisions of KRS 243.720(3)(b), shall flow through to the distributor or retailer who purchases malt beverages directly from the brewer. If a brewer sells, transfers, or passes title to malt beverages to any of its employees for home consumption or to any charitable or fraternal organization pursuant to the provisions of KRS 243.180, the brewer shall be responsible for paying and reporting the tax levied by KRS 243.720(3) in accordance with the provisions of subsection (c) of this section.***

(c) ***Every brewer selling, transferring, or passing title to malt beverages to any person in this state other than a distributor or retailer, and*** every other person selling, transferring, or passing title of distilled spirits, wine or malt beverages to distributors, retailers or consumers shall report and pay the tax levied by KRS 243.720(1), (2) or (3) on or before the twentieth day of the calendar month next succeeding the month in which possession or title of distilled spirits, wine or malt beverages is transferred to a distributor, retailer or consumer in this state, in accordance with rules and regulations of the Revenue Cabinet designed reasonably to protect the revenues of the Commonwealth.

(d) Every distributor, retailer or consumer possessing, using, selling or distributing distilled spirits, wine or malt beverages in this state upon which the tax levied by KRS 243.720(1), (2) or (3) and KRS 243.884 has not been paid shall be jointly and severally liable for reporting and paying the tax due, in accordance with rules and regulations of the Revenue Cabinet designed reasonably to protect the revenues of the Commonwealth. Such liability shall not be extinguished until the tax has been paid to the Revenue Cabinet.

(2) Every wholesaler of distilled spirits or wine before using, selling or distributing by sale or gift distilled spirits and wine shall qualify with the Revenue Cabinet. In order to so qualify, each wholesaler shall furnish to the Revenue Cabinet a certified copy of the bond required to be filed with the Cabinet of Alcoholic Beverage Control under the provisions of KRS 243.400(2).

(3) Notwithstanding the provisions of KRS 243.400(1), every brewer before selling or distributing by sale or gift malt beverages, or before importing malt beverages into the state, shall qualify with the Revenue Cabinet by filing with the cabinet a corporate surety bond in the minimum amount of one thousand dollars ($1,000) or an amount equal to three (3) times his average monthly Kentucky malt beverage tax liability, whichever is greater. The bond shall be on a form prescribed by the cabinet and shall have corporate surety registered by the cabinet of insurance. The brewer shall be the principal obligor and the state the obligee. The bond shall be conditioned upon the prompt payment by the brewer to the ***distributor, retailer, or*** Revenue Cabinet of all malt beverage taxes due, with penalties and interest.

(4) The cabinet shall have the power to require a bond from any other person liable for Kentucky distilled spirits, wine or malt beverage taxes provided such person is not otherwise required to post a bond under the provisions of this section. The amount of the bond for persons liable for Kentucky distilled spirits or wine taxes shall be computed as provided in KRS 243.400(2). The amount of the bond for persons liable for Kentucky malt beverage taxes shall be computed as provided in subsection (3) of this section.

Section 2. The provisions of this Act shall be effective beginning August 1, 1992.

HB 772, AN ACT relating to school funding and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 157.360 is amended to read as follows:

(1) In determining the cost of the program to support education excellence in Kentucky, the statewide guaranteed base funding level, as defined in KRS 157.320, shall be computed by dividing the amount appropriated for this purpose by the prior year's statewide average daily attendance.

(2) Each district shall receive an amount equal to the base funding level for each pupil in average daily attendance in the district in the previous year. Each district's base funding level shall be adjusted by the following factors:

(a) The number of at-risk students in the district. At-risk students shall be identified as those approved for the free lunch program under state and federal guidelines. The number of at-risk students shall be multiplied by a factor to be established by the General Assembly;

(b) The number and types of exceptional children in the district as defined by KRS 157.200. No later than October 1, 1991, specific weights for each category of exceptionality shall be developed by the Department of Education and shall be used in the calculation of the add-on factor for exceptional children. Prior to the development of the necessary weights, the General Assembly shall determine the costs associated with the education of exceptional children based on the count of pupils with different exceptionalities, an appropriate pupil-teacher ratio, and total per-pupil costs; and

(c) Transportation costs. The per pupil cost of transportation shall be calculated as provided by KRS 157.370. No later than October 1, 1991, the Office of Education Accountability's Division of School Finance shall examine the components of the current system for allocating transportation funds, and recommend any needed changes to the General Assembly, the Governor, and the State Board for Elementary and Secondary Education. Districts which contract to furnish transportation to students attending nonpublic schools may adopt any payment formula which assures that no public school funds are used for the transportation of nonpublic students.

(3) The program to support education excellence in Kentucky shall be fully implemented by the 1994-95 school year. No district shall receive an annual increase in state funds of less than eight percent (8%) for 1990-91 and five percent (5%) in 1991-92 or more than twenty-five percent (25%) in either year.

(4) Except for those schools which have implemented school-based decision making, the chief state school officer shall enforce maximum class sizes for every academic course requirement in all grades except in vocal and instrumental music, art, physical education, and special education classes. Except in classes combining pupils from two (2) or more grade levels, the maximum number of pupils enrolled in a class shall be as follows:

(a) Twenty-four (24) in primary grades (kindergarten through third grade);

(b) Twenty-eight (28) in grade four (4);

(c) Twenty-nine (29) in grades five (5) and six (6);

(d) Thirty-one (31) in grades seven (7) to twelve (12);

(e) Except for those schools which have implemented school-based decision making, class size loads for middle and secondary school classroom teachers shall not exceed the equivalent of one hundred fifty (150) pupil hours per day.

The chief state school officer, upon approval of the State Board for Elementary and Secondary Education, shall adopt administrative regulations for enforcing this provision. These administrative regulations shall include procedures for a superintendent to request an exemption from the State Board for Elementary and Secondary Education when unusual circumstances warrant an increased class size for an individual class. A request for an exemption shall include specific reasons for the increased class size with a plan for reducing the class size prior to the beginning of the next school year. A district shall not receive in any one (1) year exemptions for more classes than enroll twenty percent (20%) of the pupils in the primary grades and grades four (4) through eight (8).

(5) In grades four (4) through six (6) with combined grades, the maximum class size shall be the average daily attendance upon which funding is appropriated for the lowest assigned grade in the class. There shall be no exceptions to the maximum class size for combined classes. In combined classes other than the primary grades, no ungraded students shall be placed in a combined class with graded students. In addition, there shall be no more than two (2) consecutive grade levels combined in any one (1) class in grades four (4) through six (6). However, this shall not apply to schools which have implemented school-based decision making.

(6) If a local school district, through its admission and release committee, determines that an appropriate program in the least restrictive environment for a particular handicapped child includes either part-time or full-time enrollment with a private school or agency within the state or a public or private agency in another state, the school district shall count as average daily attendance in a public school the time that the child is in attendance at the school or agency, contingent upon approval by the chief state school officer.

(7) Pupils attending a center for child learning and study established under an agreement pursuant to KRS 65.210 to 65.300 shall, for the purpose of calculating average daily attendance, be considered as in

attendance in the school district in which the child legally resides and which is party to the agreement. For purposes of subsection (1) of this section, teachers who are actually employees of the joint or cooperative action shall be considered as employees of each school district which is a party to the agreement.

(8) Program funding shall be increased when the average daily attendance in any district for the first two (2) months of the current school year is greater than the average daily attendance of the district for the first two (2) months of the previous school year. The program funds allotted the district shall be increased by the percent of increase. The average daily attendance in kindergarten is the kindergarten full-time equivalent pupils in average daily attendance.

(9) ***If the average daily attendance for the first two (2) months of the current school year in any district is ten percent (10%) less than the average daily attendance for which the district received funding the previous year, the average daily attendance for calculating program funding shall be increased by two-thirds (2/3) the percent of decrease. If the same percentage decrease exists the succeeding year, the average daily attendance for calculating program funding shall be increased by one-third (1/3) the percent of decrease.***

(10) If the percentage of attendance of any school district shall have been reduced more than two percent (2%) during the previous school year, the program funding allotted the district for the current school year shall be increased by the difference in the percentage of attendance for the two (2) years immediately prior to the current school year less two percent (2%).

(11)[~~(10)~~] (a) Instructional salaries for vocational agriculture classes shall be allotted for twelve (12) months per year. Vocational agriculture teachers shall be responsible for the following program of instruction during the time period beyond the regular school term established by the local board of education: supervision and instruction of students in agriculture experience programs; group and individual instruction of farmers and agribusinessmen; supervision of student members of agricultural organizations who are involved in leadership training or other activity required by state or federal law; or any program of vocational agriculture established by the Office of Vocational Education in the Department of Education. Salary allotments for vocational agriculture units shall be computed by proportionately increasing the salary schedule allocation based on the regular one hundred eighty-five (185) day school year for teachers with comparable qualifications and experience. During extended employment, no vocational agriculture teacher shall receive salary on a day that the teacher is scheduled to attend an institution of higher education class which could be credited toward meeting any certification requirement.

(b) Each teacher of agriculture employed twelve (12) months per year shall submit an annual plan for summer program to the local school superintendent for approval. The summer plan shall include a list of tasks to be performed, purposes for each task, and time to be spent on each task. Approval by the local school superintendent shall be in compliance with the guidelines developed by the State Department of Education. The supervision and accountability of teachers of vocational agriculture's summer programs shall be the responsibility of the local school superintendent. The local school superintendent shall submit to the chief state school officer a completed report of summer tasks for each vocational agriculture teacher employed for twelve (12) months. Twenty percent (20%) of the approved twelve (12) month vocational agriculture programs shall be audited annually by the State Department of Education to determine that the summer plan has been properly executed.

(c) For the 1990-91 and the 1991-92 school years, an add-on appropriation shall be made to local school districts which are operating secondary vocational education programs. The amount provided in the budget shall be allocated on a per pupil basis and shall be used to meet the higher per student cost of operating vocational education programs.

(12)[~~(11)~~] (a) In allotting program funds for home and hospital instruction, statewide guaranteed base funding excluding the capital outlay, shall be allotted for each child in average daily attendance in the current school year who has been properly identified according to State Board for Elementary and Secondary Education administrative regulations. Attendance shall be calculated pursuant to KRS 157.270 and shall be reported monthly on forms provided by the Department of Education; and

(b) Pursuant to administrative regulations of the Department of Education, local school districts shall be reimbursed for home and hospital instruction for pupils unable to attend regular school sessions because of short term health impairments. A reimbursement formula shall be established by administrative regulations to include such factors as a reasonable per hour, per child allotment for teacher instructional time, with a maximum number of funded hours per week, a reasonable allotment for teaching supplies and equipment, and a reasonable allotment for travel expenses to and from instructional assignments, but the formula shall not include an allotment for capital outlay. Attendance shall be calculated pursuant to KRS 157.270 and shall be reported monthly on forms provided by the Department of Education.

(13)[~~(12)~~] Except for those schools which have implemented school-based decision making, kindergarten aides shall be provided for each twenty-five (25) full-time equivalent kindergarten students enrolled.

Section 2. Whereas, local school districts need accurate financial information to plan for the 1992-1993 school year, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

The Committee Amendment No. 1 to **HB 772** is as follows:

Amend printed copy of **HB 772** as follows:

On page 5, lines 23 and 24, by deleting "***first two (2) months of the***".

HJR 116, A JOINT RESOLUTION relating to the sales and use taxation of tools and industrial supplies.

WHEREAS, it is the common goal of business and government to maximize the use of personnel and time; and

WHEREAS, there is a common goal of business and government to clarify the extent and coverage of government regulation of business; and

WHEREAS, in particular it is the common goal of the Kentucky coal industry and the Kentucky Revenue Cabinet to clarify and identify which tools and supplies should be properly exempted from Kentucky's Sales and Use Tax; and

WHEREAS, because of litigation, assessment conferences and other appeals, millions of dollars are being contested by both the Revenue Cabinet and individual coal companies; and

WHEREAS, thousands of man-hours are being needlessly expended because there is no clear set of rules defining exactly which tools and industrial supplies should be properly exempted from the Kentucky Sales and Use Tax; and

WHEREAS, both the Kentucky Revenue Cabinet and the Kentucky coal industry are desirous of having a clearly defined list of taxable and non-taxable tools and industrial supplies; and

WHEREAS, a defined list would eliminate the majority of tax appeals on those items; and

WHEREAS, there have been at least three unpublished court opinions issued that are favorable to the taxpayer dealing with supplies and industrial tools. Although labeled "not to be published," the courts are not expected to deviate from their rationale when resolving future litigation in this area; and

WHEREAS, continued litigation serves no legitimate purpose to either government or business; and

WHEREAS, the resolution of this issue will enable the Kentucky Revenue Cabinet to direct more manpower to other areas that could generate tax revenues; and

WHEREAS, the General Assembly recognizes that the resolution of this issue will result in long-term revenue gains for the Commonwealth.

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The General Assembly directs the Kentucky Revenue Cabinet to promulgate an administrative regulation no later than August 15, 1992, clearly setting forth which tools and industrial supplies used by the Kentucky coal industry should be exempt and which items should be non-exempt from the Kentucky Sales and Use Tax.

The Committee Substitute to **HJR 116** is as follows:

HJR 116, A JOINT RESOLUTION relating to the sales and use taxation of tools and industrial supplies.

WHEREAS, it is the common goal of business and government to maximize the use of personnel and time; and

WHEREAS, there is a common goal of business and government to clarify the extent and coverage of government regulation of business; and

WHEREAS, in particular it is the common goal of Kentucky's manufacturing and mining industries and the Kentucky Revenue Cabinet to clarify and identify which tools and supplies should be properly exempted from Kentucky's Sales and Use Tax; and

WHEREAS, because of litigation, assessment conferences and other appeals, millions of dollars are being contested by both the Revenue Cabinet and individual companies; and

WHEREAS, thousands of man-hours are being needlessly expended because there is no clear set of rules defining exactly which tools and industrial supplies should be properly exempted from the Kentucky Sales and Use Tax; and

WHEREAS, both the Kentucky Revenue Cabinet and Kentucky's manufacturing and mining industries are desirous of having a clearly defined list of taxable and nontaxable tools and industrial supplies; and

WHEREAS, a defined list would eliminate the majority of tax appeals on those items; and

WHEREAS, there have been at least three unpublished court opinions issued that are favorable to the taxpayer dealing with supplies and industrial tools. Although labeled "not to be published," the courts are not expected to deviate from their rationale when resolving future litigation in this area; and

WHEREAS, continued litigation serves no legitimate purpose to either government or business; and

WHEREAS, the resolution of this issue will enable the Kentucky Revenue Cabinet to direct more manpower to other areas that could generate tax revenues; and

WHEREAS, the General Assembly recognizes that the resolution of this issue will result in long-term revenue gains for the Commonwealth.

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The General Assembly directs the Kentucky Revenue Cabinet to promulgate administrative regulations no later than October 15, 1992, clearly setting forth which tools and industrial supplies used by Kentucky's manufacturing and mining industries should be exempt and which items should be nonexempt from the Kentucky Sales and Use Tax.

The Committee on Counties and Special Districts reported **HB 483, HB 582**, with Committee Amendment attached thereto, **HB 615** and **HB 674**, with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 483, AN ACT relating to payment for the care and maintenance of prisoners.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 441.206 is amended to read as follows:

(1) For the care and maintenance of prisoners charged with or convicted of violations of state law, each county shall receive a contribution from the State Treasury in an amount equal to that paid to the county pursuant to this section in fiscal year 1983-84 ***or the amount that should have been paid to the county in fiscal year 1983-84 under the conditions set forth in subsection (5) of this section***. Any additional moneys appropriated for county jails shall be allocated on the basis of a formula comprised of the following factors:

(a) Sixty percent (60%) of the allocation shall be based on the amount of the 1983-84 funding formula each county received***, or should have received under the conditions set forth in subsection (5) of this section***;

(b) Ten percent (10%) of the allocation shall be based on each county's comparative ranking of median household income in inverse order, as determined by the 1980 federal census of population; and

(c) Thirty percent (30%) of the allocation shall be based on the proportion of each county's age at risk population (18-34) to the state total, as determined by the 1980 federal census of population.

(2) Payments of the state contribution for jail operating expenses shall be made monthly by the Corrections Cabinet to the county treasurer. The election by a county to close its jail and to contract with another county for the incarceration of prisoners, as permitted by KRS 441.025, shall not affect the state contribution provided for in subsection (1) of this section.

(3) All state funds paid to a county under this section, any funds paid to a county by the United States government, a city, or another county for the incarceration of prisoners and any interest earned on such funds shall be expended on the incarceration of prisoners, as provided in KRS 441.025. Any funds paid under subsection (1) of this section and any interest earned on such funds shall be expended on the incarceration of prisoners, in accordance with regulations promulgated pursuant to KRS 441.055, within twelve (12) months of the close of the fiscal year in which such funds were received. Any funds received by a county under subsection (1) of this section that are not expended for this purpose shall be returned to the State Treasury.

(4) In no event shall a county receive less than twenty-four thousand dollars ($24,000) pursuant to this section from the State Treasury for the care and maintenance of prisoners charged with or convicted of violations of state law.

(5) If the capacity of a jail was substantially increased during the years 1980 through 1982 due to construction or renovation, and if, a result, the amount paid to the county in fiscal year 1983-84 pursuant to this section and to 1982 Kentucky Acts, Chapter 285, Section 3, was not representative of the true jail population, then the secretary of corrections may, upon proper documentation by the county, permit an estimate of the current capacity of the jail to be used as a basis for calculating the amount that should have been paid to the county in fiscal year 1983-84.

HB 582, AN ACT relating to planning and zoning.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 100.133 is amended to read as follows:

(1) Before a planning unit may engage in planning operations, a planning commission shall be appointed for the unit in conformance with an adopted agreement.

(2) A planning commission shall consist of at least five (5), but not more than twenty (20) members.

(3) The Governor shall have the privilege of appointing a member to the commission to which the capital city belongs in addition to the number of members specified for that planning commission.

(4) Where extraterritorial jurisdiction is exercised for subdivision regulations or other regulations, the county judge/executive of each affected county may appoint a member to the planning commission of the planning unit exercising such jurisdiction in addition to the number of members specified for that planning commission.

(5) At least two-thirds (2/3) of the members of every planning commission shall be citizen members.

(6) A regional planning commission shall include at least one (1) citizen member from each joint planning unit who is also a member of the joint planning commission.

(7) If one (1) city only joins with one (1) county, then each shall have equal representation.

(8) Except as provided in KRS 100.137, county representatives of the planning commission of a joint planning unit containing a county with an unincorporated area population exceeding one thousand (1,000) persons shall be residents of the unincorporated area of that county.

(9) Whenever this chapter requires a city without its consent to belong to a joint planning unit, then KRS 100.137 shall apply.

The Committee Amendment No. 1 to **HB** 582 is as follows:

Amend printed copy of **HB** 582 as follows:

On page 2, line 3, after "***KRS 100.137,***" and before "***county***" by inserting "***at least one (1) of the***"; and,

On page 2, line 7, after "***be***" by deleting "***residents***" and by inserting in lieu thereof, "***a resident***".

HB 615, AN ACT relating to conservation districts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 262.200 is amended to read as follows:

(1) A district shall constitute a governmental subdivision of the state and public body corporate and politic, exercising public power.

(2) The governing body of the district shall consist of a board of seven (7) supervisors. On organization of a district, the first two (2) supervisors shall be appointed by the committee as provided in KRS 262.150, and five (5) shall be elected under KRS 262.210 and 262.220. The supervisors shall hold no other city, county or state elective office. Where the need for urban representation on the board of supervisors exists, it shall be limited to three (3) members.

(3) The board may sue and be sued in the name of the district; have a seal, which shall be judicially noticed; have perpetual succession unless terminated as provided in KRS 262.530 to 262.560; make and execute contracts and other instruments necessary or convenient to exercise its powers.

(4) The board may request annual operating funds from the fiscal court. To support the request, the board shall present to the fiscal court a report of the previous year's operation, a long range plan for natural resource development and an annual plan of work. Should a fiscal court fail to approve a requested budget, it shall present a specific list of objections and suggested corrections to the board in writing and within a reasonable time. If a budget request is not approved, the board may submit a revised budget request. Funds for an approved budget shall be supplied either from general funds or from the levy of a millage tax on all real property within the boundaries of the county[~~, the total amount not to exceed twenty-five thousand dollars ($25,000) in any one (1) fiscal year~~]. The tax shall be collected in the same manner as other county taxes, and shall be credited to the board. The funds so collected shall be expended by the board for the employment of soil conservation aids, and for other purposes directly associated with the program, including promotional activities, prize moneys, office equipment and supplies, and incidentals deemed necessary.

HB 674, AN ACT relating to statutory liens.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 376 IS CREATED TO READ AS FOLLOWS:

(1) Any owner of real property who rents space on which a house trailer or mobile home is parked shall have a lien for rent due on any house trailer or mobile home, its contents, and other personalty abandoned by the occupant on the landowner's property for rent due, reasonable storage, cleanup costs, and utilities furnished to the unit and paid for by the landowner.

(2) If, after a period of sixty (60) days, the rent, reasonable storage, cleanup costs, and utilities have not been paid, the house trailer or mobile home, its contents, and other personalty abandoned by the occupant may be sold to pay the rent, reasonable storage, cleanup costs, and utilities after the unit owner has been notified of the time and place of the sale, at the unit owner's last known address. Notice shall be made by registered mail at least ten (10) days prior to the time of the sale. If the proceeds of the sale are insufficient to pay the debt and costs of sale, the sale and collection of proceeds shall not constitute a waiver or release of responsibility for payment of the debt owed by the unit owner. This lien shall be subject to prior recorded liens and property taxes.

(3) Any money obtained in excess of the sale costs, taxes, and liens shall be paid by the seller to the unit owner; and if the unit owner cannot be located, the excess money shall escheat to the state pursuant to the provisions of KRS Chapter 393.

(4) Before the sale, the landowner shall advertise a description of the property to be sold and the time and place of sale for three (3) consecutive publishing periods in a local newspaper distributed in the county where the property is located.

(5) The sale may be by written bids or by auction, or both, and the seller may bid on the property.

(6) The house trailer or mobile home shall be transferred to the purchaser in the county where the sale is conducted upon an affidavit being filed by the seller stating that the provisions of this section have been met and containing any other information that may be required by the state or county.

The Committee Amendment No. 1 to **HB 674** is as follows:

Amend printed copy of **HB 674** as follows:

On page 1, line 18, after "*sale.*" insert "***If there is a valid recorded lien against the property to be sold, the landowner shall notify the lienholder of the time and place of sale by registered mail at least ten (10) days prior to the time of the sale.***".

The Committee on Education reported **HB 186**, with Committee Amendment attached thereto, **HB 427**, **HB 502**, with Committee Substitute attached thereto, **HB 530**, with Committee Amendment attached thereto, **HB 545**, with Committee Substitute attached thereto, and **HB 698**, with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 186, AN ACT relating to the Workforce Development Cabinet.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 151B IS CREATED TO READ AS FOLLOWS:

(1) All certified and equivalent staff working in the state correctional institutions, in the regional offices, and in the Frankfort central office shall be employed twelve (12) months and shall earn annual leave in accordance with administrative regulations adopted by the State Board for Adult and Technical Education. Employees shall receive the paid holidays granted to state employees pursuant to KRS 18A.190.

(2) Postsecondary school-based certified and equivalent staff and area center principals shall be employed two hundred twenty-five (225) days between August 1 and June 30 and shall not earn annual leave. The twenty-fifth day of December plus one (1) extra day and the first day of January plus one (1) extra day shall be included in the two hundred twenty-five (225) days as paid holidays.

(3) Secondary certified and equivalent staff, except area center principals, shall be employed two hundred five (205) days between August 1 and June 15 and shall not earn annual leave. The twenty-fifth day of December plus one (1) extra day and the first day of January plus one (1) extra day shall be included in the two hundred five (205) days as paid holidays.

(4) All certified and equivalent staff shall receive annually two (2) days for personal leave.

(5) All secondary and postsecondary certified and equivalent staff who have earned annual leave prior to the effective date of this Act shall be reimbursed annually for ten (10) days of earned annual leave or the balance of earned annual leave, whichever is the lesser amount, at the employee's current daily rate. An employee shall be reimbursed for all earned annual leave if his employment ends before he has been reimbursed in full.

(6) The State Board for Adult and Technical Education shall adopt annually a compensation plan which is based upon the estimated statewide average daily rate paid to local district teachers of comparable experience and educational qualifications. The estimated statewide average daily rate shall be based on the average amount paid to local district teachers the previous school year increased by the percentage increase in the base funding level guaranteed per pupil pursuant to KRS 157.360 and set in the biennial budget for the current fiscal year. Indexes may be incorporated in the compensation plan for administrative responsibilities. Certified and equivalent staff working in correctional institutions, regional offices, and in the Frankfort central office shall have their annual salary reduced by the value of the annual leave accrued during the work year. The value of accrued annual leave is calculated by multiplying the number of annual leave days the employee earns during the year times the estimated statewide average daily rate paid local school district teachers of comparable experience and educational qualifications.

Section 2. KRS 151B.035 is amended to read as follows:

(1) Effective July 1, 1990, all existing staff in the field offices and the state-operated vocational schools and appropriate central office personnel from the Kentucky Department of Education shall be transferred to the Department for Adult and Technical Education. Those individuals with merit status shall be transferred to the department. Those employees who are on probation shall be transferred but shall be subject to completion of the probationary period. Annual, compensatory, and sick leave accrued as of July 1, 1990, shall be transferred with the employees.

(2) The State Board for Adult and Technical Education shall adopt and establish by administrative regulations, personnel policies and procedures for all full-time and part-time unclassified employees, certified and equivalent staff, including administrative, teaching, and supervisory staff in the Department for Adult and Technical Education central office, state-operated vocational facilities, and regional staffs. The regulations shall not become effective until October 1, 1990. All other staff shall remain under the authority of the Kentucky Department of Personnel and KRS Chapter 18A.

(3) As provided in this chapter, the State Board for Adult and Technical Education shall promulgate comprehensive administrative regulations for the administration of a personnel system in the Department for Adult and Technical Education which are consistent with the provisions of this chapter and with federal standards for state government agencies receiving federal grants.

(4) The board shall promulgate comprehensive administrative regulations for full-time and part-time certified and equivalent staff governing:

(a) Establishment and abolishment of positions;

(b) Applications;

(c) Certification;

(d) Classification and compensation plans;

(e) Incentive programs;

(f) Selection of employees;

(g) Types of appointments;

(h) Attendance, including hours of work, compensatory time, and annual, court, military, sick, voting, and special leaves of absence;

(i) Preparation, maintenance, and revision of a position classification plan and an equitable salary schedule for certified and equivalent staff based on qualifications, experience, and responsibilities;

(j) Extent and duration of the Kentucky Tech System school term, use of school days, and extended employment;

(k) Employee evaluations;

(l) Programs to improve the work effectiveness of employees including staff development;

(m) Demotion;

(n) Dismissal;

(o) Layoffs;

(p) Suspensions and other disciplinary measures;

(q) Probationary periods, limited employment status, and continuing employment status;

(r) Promotion;

(s) Transfer;

(t) Appeals; and

(u) Employee grievances and complaints.

(5) (a) Administrative regulations promulgated by the board shall comply with the provisions of this chapter and KRS Chapter 13A, and shall have the force and effect of law, when approved by the board, and after compliance with the provisions of KRS Chapter 13A.

(b) Administrative regulations promulgated by the board shall not expand or restrict rights granted to, or duties imposed upon, employees and administrative bodies by the provisions of this chapter.

(c) No administrative body, other than the State Board for Adult and Technical Education shall promulgate administrative regulations governing the subject matters specified in this section.

(d) Policies and procedures for the implementation of administrative regulations shall be developed by the Department for Adult and Technical Education.

(6) The commissioner for adult and technical education shall be the appointing authority with respect to all personnel actions. The commissioner may authorize a designee to act on behalf of the agency with respect to employee appointments, position establishments, payroll documents, reemployment lists, waiver requests, or other position actions. ***The*** [~~Such~~] designation shall be in writing. Authority to employ personnel may be delegated to the vocational school management by state board policy and procedure. Any recommendation for employment from the local level shall be based on guidelines promulgated by the state board and shall be contingent upon confirmation by the commissioner and the board.

(7) The board shall adopt other administrative regulations to govern its proceedings which relate to certified and equivalent employees and which shall provide for:

(a) The procedures to be utilized by the board in the conduct of hearings;

(b) Discharge, as provided by this section;

(c) Imposition, as a disciplinary measure, of a suspension from service without pay for up to thirty (30) working days and, in accordance with the provisions of KRS 151B.055, for the manner of notification of the employee of the discipline and right of appeal;

(d) Promotions which shall give appropriate consideration to the applicant's qualifications, record of performance, and conduct;

(e) Supplementary information for the salary schedule for certified and equivalent staff including teachers, counselors, administrators, managers, and educational consultants in state-operated vocational technical facilities, field offices and central office in the Department for Adult and Technical Education [~~that shall provide uniformity, recognition of education, teaching, and supervisory experience and use as a base the average salary paid to beginning classroom teachers by all public schools in the state for personnel with comparable qualifications and experience. Indexes may be incorporated in the compensation plan for administrative responsibilities. The salary schedule shall be computed annually, and shall be submitted to and approved by the Governor. The annual percentage increment under the salary schedule shall be at least equal to that provided for other state employees~~];

(f) Reemployment of laid-off employees in accordance with the provisions of this chapter;

(g) Establishment of a plan for resolving employee grievances and complaints. The plan shall not restrict rights granted employees by the provisions of this chapter; and

(h) Such other administrative regulations not inconsistent with this chapter and KRS Chapter 13A as may be proper and necessary for its enforcement.

(8) The board shall make investigations, either on petition of a citizen, taxpayer, interested party, or on its own motion, concerning the enforcement and effect of KRS 151B.035 to 151B.090, shall require observance of its provisions and the administrative regulations promulgated pursuant to the provisions of this chapter and KRS Chapter 13A, and shall make such investigation as may be requested by the General Assembly or the Governor and to report thereon.

(9) The board shall adopt administrative regulations for a due process hearing and appeal system for aggrieved certified or equivalent employees.

(10) The board shall hear appeals from applicants for positions or from certified, equivalent, and unclassified employees who have been dismissed, demoted, suspended, or otherwise penalized for cause.

(11) The board may, any statute to the contrary notwithstanding, delegate the taking of evidence, and the rendition of a written recommendation of disposition to the full board, to a panel of the board, or to a single member of the board acting as a hearing officer, relative to any hearing appeal, or decision, judicial or quasi-judicial in nature, which the board is empowered or directed, by this or any other chapter, to conduct, hear, or make; provided, however, that the full board as provided by statute, makes the final decision or determination, based upon the evidence submitted.

(12) The board shall promulgate regulations governing the unclassified service including the preparation and maintenance of a salary schedule and other regulations authorized by this chapter.

The Committee Amendment No. 1 to **HB 186** is as follows:

Amend printed copy of **HB 186** as follows:

On page 9, after line 17, by adding the following:

"Section 3. The provisions of this Act shall become effective on July 1, 1994."

HB 427, AN ACT relating to education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 161 IS CREATED TO READ AS FOLLOWS:

(1) For purposes of this section "employee" shall mean a person hired by a superintendent in a position requiring a teaching certificate.

(2) A district board of education may adopt a policy to compensate employees who retire after June 30 of their twenty-seventh year of service and before July 1 following their thirtieth year, an amount up to fifty percent (50%) of their gross salary earned during their twenty-seventh year of Kentucky service. All eligible employees shall receive the same percentage of compensation increase under the board's policy.

(3) An employee who has more than twenty-seven (27) years of service at the time the local board adopts its policy, shall receive the compensation based on his current year's salary if the employee exercises the option at the end of the school year in which the policy is adopted. After June 30 of that year, the compensation for that employee shall be based on the salary earned during his twenty-seventh year and an employee with more than thirty (30) years of service shall not be eligible for compensation.

(4) Any amount paid by a local district to an employee under this section shall not be subject to retirement contributions and shall not be considered a part of the annual salary for purposes of calculating the final average salary for retirement.

(5) Any amount paid to a teacher under this section shall be for the service rendered to the district and shall be considered a public school purpose.

HB 502, AN ACT relating to the Management Improvement Program.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 158.650 is amended to read as follows:

As used in KRS 158.680 to ***158.785*** [~~158.710~~], unless the context otherwise requires:

(1) "Department" means the Department of Education;

(2) "Competencies" means the possession of skills, knowledge, and understandings to the degree they can be demonstrated or measured;

(3) "Performance goals" means expected student and school district outcomes as approved by the State Board for Elementary and Secondary Education;

(4) "Interim performance goal" means the specified amount of improvement the district shall achieve toward meeting the performance goal agreed upon in the district improvement plan;

(5) "Process goals" means systematic and orderly procedures, including specific actions and time frames to be followed in achieving performance goals;

(6) "Standards" means acceptable levels of attainment school districts shall meet in student, program, service, and operational performance as established in administrative regulations adopted by the State Board for Elementary and Secondary Education;

(7) "Educationally deficient school district" means a school district which does not meet minimum standards in student, program, service, or operational performance;

(8) "Education development district" means an educationally deficient district which fails to meet all process goals or to achieve all interim performance goals according to the timelines established in the district improvement plan;

(9) ***"State assisted district" means a district determined by the State Board for Elementary and Secondary Education to have a significant lack of efficiency and effectiveness in the governance and administration of the district;***

(10) "State managed district" means a "state assisted district" that is determined by the State Board for Elementary and Secondary Education to be making unsatisfactory progress in the development or implementation of its correctional plan;

(11) "Annual performance report" means the report published annually by each local board of education that presents the district's performance with regard to performance goals as established by State Board for Elementary and Secondary Education administrative regulations; and

(12)[~~(10)~~] "District improvement plan" means the plan developed by a local school district in consultation with the Department of Education, that establishes the process goals and timelines for correcting identified deficiencies in the achievement of performance goals and the interim performance goals. The plan shall be approved by the local board of education and the State Board for Elementary and Secondary Education.

Section 2. KRS 158.780 is amended to read as follows:

(1) The State Board for Elementary and Secondary Education shall establish a [~~management assistance~~] program ***for voluntary management improvement, for involuntary supervision, and for assuming full control of a local school district*** [~~directed to local districts with critical management deficiencies as determined by the state Department of Education~~].

(a) The voluntary improvement program shall assist local districts with the development of innovative management practices and help them adopt currently accepted practices.

(b) If the State Board for Elementary and Secondary Education determines that a critical lack of efficiency or effectiveness in the governance or administration of a local school district exists, it shall assume sufficient supervision of the district to ensure that appropriate corrective action occurs.

(c) If the State Board for Elementary and Secondary Education determines that the lack of efficiency or effectiveness in the governance or administration of a school district warrants action, it shall declare the district a "state assisted district" or a "state managed district" and assume control of the district as set forth in this section and KRS 158.785.

(2) The ***State*** Board ***for Elementary and Secondary Education may*** [~~is authorized to~~] adopt necessary administrative regulations to carry out the provisions of this section and KRS 158.785.

(3) The ***State*** Board ***for Elementary and Secondary Education may delegate to the chief state school officer the authority it deems necessary to carry out the provisions of*** [~~is authorized to provide management assistance pursuant to~~] this section and KRS 158.785 [~~to a minimum of five (5) districts each year of the biennium~~].

Section 3. KRS 158.785 is amended to read as follows:

(1) The State ***Board for Elementary and Secondary Education shall establish a program to improve specific aspects of the management of local school districts as described in KRS 158.780.***

(2) The State Department of Education shall, pursuant to administrative regulations promulgated by the State Board for Elementary and Secondary Education, collect and review data relative to the instructional and operational performance of local school districts. When a review of the data or of any other information, including site investigations of local management practices, indicates the presence of critically ineffective or inefficient management, the chief state school officer shall order a management audit of the governance and administration of the district. A local school board or superintendent may also request a management audit of the district.

(3) If a management audit, conducted for any of the reasons set forth in subsection (2) of this section, indicates that there is a significant lack of efficiency and effectiveness in the governance or administration of a school district, the chief state school officer shall recommend the district to the State Board for Elementary and Secondary Education as a "state assisted district."

(4) The State Board for Elementary and Secondary Education shall review the results of the management audit and the recommendations of the chief state school officer. If it finds a significant lack of efficiency and effectiveness in the governance or administration of the local district, it shall make a determination that the district is a "state assisted district."

(5) When a district is designated a "state assisted district," the following actions shall be required of the chief state school officer:

(a) Management assistance shall be provided to the district to develop and implement a plan to correct deficiencies found in the management audit.

(b) The Department of Education shall monitor the development and implementation of the correctional plan to improve the governance or administration of the school district. If the chief state school officer determines that the plan is being inadequately developed or implemented, he shall make a recommendation to the State Board for Elementary and Secondary Education to declare the district a "state managed district."

(c) The State Board for Elementary and Secondary Education shall review the recommendation of the chief state school officer; and if the designation is appropriate, it shall declare the dia "state managed district."

(6) When a district is designated a "state managed district," the following actions shall be required of the chief state school officer:

(a) All administrative, operational, financial, personnel, and instructional aspects of the management of the school district formerly exercised by the local school board and the superintendent shall be exercised by the chief state school officer or his designee.

(b) Any local school board member or the local superintendent may be removed from office by the State Board for Elementary and Secondary Education pursuant to KRS 156.132 if the chief state school officer determines it is in the interest of more effective management of the school district. A vacancy created by this action shall be filled as provided in KRS 156.136.

(c) Notwithstanding any statute to the contrary, any appointment to an administrative position may be revoked by the chief state school officer and the individual employee may be reassigned to any duty for which that person is qualified. The individual shall not be dismissed from subsequent employment except as provided by 156.132 and 161.790.

(d) The chief state school officer shall make the administrative appointments and enter into contracts with private corporations as necessary to exercise full and complete control of all aspects of the management of the district. The chief state school officer, through the appointments and contracts, may make any and all decisions previously made by the local school board and the local superintendent; and the chief state school officer shall retain clear supervisory and monitoring powers over the operation and management of the district.

(7) A school district shall be designated as a "state managed district" until the State Board for Elementary and Secondary Education determines that the pattern of ineffective and inefficient governance or administration and the specific deficiencies determined by the management audit have been corrected. Each year following the school year in which the designation of a "state managed district" was made, the chief state school officer shall report the status of the corrective action being taken to the State Board for Elementary and Secondary Education. No local school district shall remain in the status of a "state managed district" longer than three (3) consecutive school years unless the State Board for Elementary and Secondary Education extends the time after a complete review of a new management audit. Any judicial review of actions taken by the chief state school officer or the board under KRS 158.780 or 158.785 shall be limited to whether the action was arbitrary or involved an error of law [~~Department of Education shall, pursuant to State Board for Elementary and Secondary Education criteria, identify the local districts most in need of management assistance. The selection process shall include an examination of all aspects of district operations, including but not limited to:~~

~~(a) The planning, maintenance, and operation of physical plants;~~

~~(b) The maintenance and operation of student transportation systems;~~

~~(c) Personnel administration;~~

~~(d) Governance and executive leadership;~~

~~(e) Fiscal management;~~

~~(f) Professional performance, staff development, and evaluation; and~~

~~(g) School-community relationships.~~

~~(2) The State Board for Elementary and Secondary Education shall select the local districts to receive management assistance and shall enter into an agreement with each local board of education. The agreement shall specify the plan of action based upon the needs of the district as identified by the department and adopted by the local board of education.~~

~~(3) For each district selected, a management assistance team shall be assigned to provide intensive on-site assistance to the district for a period not to exceed one (1) year.~~

~~(4) The Department of Education, subject to the approval of the board of education, shall contract with persons outside the department to serve on the management assistance teams. The department is authorized to enter into partnership arrangements with business, industry, educational institutions, and local school districts in order to obtain qualified persons. The manager of each team shall be an educator who has experience in the management of a local school district or educational institution. The other members of the team shall possess skills, experience or credentials as appropriate to the needs of the local district.~~

~~(5) The State Board for Elementary and Secondary Education and the local board of education shall develop a work program to address the deficiencies within the district. The program shall at a minimum include:~~

~~(a) Defining the problems in the management and performance of the district;~~

~~(b) Developing or modifying policies and procedures to address the problems;~~

~~(c) Training or retraining of personnel;~~

~~(d) Implementing the new or revised policies and procedures; and~~

~~(e) Monitoring and evaluating the implementation of the results.~~

~~(6) Each management assistance team shall submit to the local board of education regular progress reports. Before the termination of the assistance project, a final report shall be submitted to the State Board for Elementary and Secondary Education for its approval~~].

Section 4. KRS 156.136 is amended to read as follows:

The State Board for Elementary and Secondary Education, upon suspension of any officer or district board of education member under KRS 156.132 ***or 158.785***, shall name a person to fill the vacancy caused by ***the*** [~~such~~] suspension. Persons appointed by the State Board for Elementary and Secondary Education to fill vacancies under KRS 156.132***, 158.785*** and this section shall hold office only during the time an officer is suspended, not to exceed ninety (90) days from the date of suspension. At the expiration of ***the*** [~~such~~] period, vacancies shall be filled in the manner provided by law for the office. Persons appointed by the State Board for Elementary and Secondary Education to fill vacancies caused by suspension shall be paid from funds of the district board of education. Any person employed to fill the position of a superintendent who has been removed by the State Board for Elementary and Secondary Education under KRS 156.132 ***or 158.785*** shall be employed by the district board of education for periods not to exceed one (1) year if the superintendent has appealed to the courts and if the courts have not taken final action.

The Committee Substitute to **HB 502** is as follows:

HB 502, AN ACT relating to the Management Improvement Program.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 158.780 is amended to read as follows:

(1) The State Board for Elementary and Secondary Education shall establish a [~~management assistance~~] program ***for voluntary management improvement, for involuntary supervision, and for assuming full control of a local school district*** [~~directed to local districts with critical management deficiencies as determined by the state Department of Education~~].

(a) The voluntary improvement program shall assist local districts with the development of innovative management practices and help them adopt currently accepted practices.

(b) If the State Board for Elementary and Secondary Education determines that a critical lack of efficiency or effectiveness in the governance or administration of a local school district exists, it shall assume sufficient supervision of the district to ensure that appropriate corrective action occurs.

(c) If the State Board for Elementary and Secondary Education determines that the pattern of a lack of efficiency or effectiveness in the governance or administration of a school district warrants action, it shall declare the district a ''state assisted district'' or a ''state managed district'' and assume control of the district as set forth in this section and KRS 158.785.

(2) The ***State*** Board ***for Elementary and Secondary Education shall*** [~~is~~ ~~authorized~~ ~~to~~] adopt necessary administrative regulations to carry out the provisions of this section and KRS 158.785***, including an administrative regulation to more specifically establish and implement the standards for designation as a ''state assisted district'' and a ''state managed district.''***[~~.~~]

(3) The ***State*** Board ***for Elementary and Secondary Education may delegate to the chief state school officer the authority it deems necessary to carry out the provisions of*** [~~is~~ ~~authorized~~ ~~to~~ ~~provide~~ ~~management~~ ~~assistance~~ ~~pursuant~~ ~~to~~] this section and KRS 158.785 [~~to~~ ~~a~~ ~~minimum~~ ~~of~~ ~~five~~ ~~(5)~~ ~~districts~~ ~~each~~ ~~year~~ ~~of~~ ~~the~~ ~~biennium~~].

Section 2. KRS 158.785 is amended to read as follows:

(1) The State ***Board for Elementary and Secondary Education shall establish a program to improve specific aspects of the management of local school districts as described in KRS 158.780.***

(2) The State Department of Education shall, pursuant to administrative regulations promulgated by the State Board for Elementary and Secondary Education, collect and review data relative to the instructional and operational performance of local school districts. When a review of the data or of any other information, including site investigations of local management practices, indicates the presence of critically ineffective or inefficient management, the chief state school officer shall order a management audit of the governance and administration of the district. A local school board or superintendent may also request a management audit of the district.

(3) If a management audit, conducted for any of the reasons set forth in subsection (2) of this section, indicates that there is a pattern of a significant lack of efficiency and effectiveness in the governance or administration of a school district, the chief state school officer shall recommend the district to the State Board for Elementary and Secondary Education either as a ''state assisted district'' or a ''state managed district.''

(4) The State Board for Elementary and Secondary Education shall promulgate an administrative regulation establishing a procedure for considering the recommendation of the chief state school officer to declare a district a ''state assisted district'' or a ''state managed district.'' This procedure shall provide for written notice of the grounds for the recommendation and an opportunity to be heard on the matter before the State Board.

(5) When the chief state school officer presents a recommendation to the State Board for designation as a ''state assistant district'' or a ''state managed district,'' he shall establish the following:

(a) Existence of a pattern of a significant lack of efficiency and effectiveness in the governance or administration of the school district;

(b) The pattern of a significant lack of efficiency and effectiveness in the governance or administration of the school district continues to exist; and

(c) State assistance or state management is necessary to correct the inefficiencies and ineffectiveness.

(6) When a district is designated a ''state assisted district,'' the following actions shall be required of the chief state school officer:

(a) Management assistance shall be provided to the district to develop and implement a plan to correct deficiencies found in the management audit.

(b) The Department of Education shall monitor the development and implementation of the correctional plan to improve the governance or administration of the school district. If the chief state school officer determines that the plan is being inadequately developed or implemented, he shall make a recommendation to the State Board for Elementary and Secondary Education to declare the district a "state managed district."

(7) If the State Board designates a district a "state managed district," the following actions shall be required of the chief state school officer:

(a) All administrative, operational, financial, personnel, and instructional aspects of the management of the school district formerly exercised by the local school board and the superintendent shall be exercised by the chief state school officer or his designee.

(b) Any local school board member or the local superintendent may be removed from office by the State Board for Elementary and Secondary Education pursuant to KRS 156.132.

(c) Notwithstanding any statute to the contrary, after thirty (30) days after a district becomes a "state managed district" any appointment to an administrative position may be revoked by the chief state school officer and the individual employee may be reassigned to any duty for which that person is qualified. The chief state school officer shall provide to the reassigned employee written reasons for the reassignment. The individual shall not be dismissed from subsequent employment except as provided by KRS 156.132 and 161.790.

(d) The chief state school officer shall make the administrative appointments as necessary to exercise full and complete control of all aspects of the management of the district. The chief state school officer, through the appointments, may make any and all decisions previously made by the local school board and the local superintendent. The chief state school officer shall retain clear supervisory and monitoring powers over the operation and management of the district.

(8) A school district shall be designated as a "state managed district" until the State Board for Elementary and Secondary Education determines that the pattern of ineffective and inefficient governance or administration and the specific deficiencies determined by the management audit have been corrected. Each year following the school year in which the designation of a "state managed district" was made, the chief state school officer shall report the status of the corrective action being taken to the State Board for Elementary and Secondary Education. No local school district shall remain in the status of a "state managed district" longer than three (3) consecutive school years unless the State Board for Elementary and Secondary Education extends the time after a complete review of a new management audit. Any judicial review of actions taken by the chief state school officer or the board under KRS 158.780 or 158.785 shall be limited to whether the action was arbitrary or involved an error of law [~~Department of Education shall, pursuant to State Board for Elementary and Secondary Education criteria, identify the local districts most in need of management assistance. The selection process shall include an examination of all aspects of district operations, including but not limited to:~~

~~(a) The planning, maintenance, and operation of physical plants;~~

~~(b) The maintenance and operation of student transportation systems;~~

~~(c) Personnel administration;~~

~~(d) Governance and executive leadership;~~

~~(e) Fiscal management;~~

~~(f) Professional performance, staff development, and evaluation; and~~

~~(g) School-community relationships.~~

~~(2) The State Board for Elementary and Secondary Education shall select the local districts to receive management assistance and shall enter into an agreement with each local board of education. The agreement shall specify the plan of action based upon the needs of the district as identified by the department and adopted by the local board of education.~~

~~(3) For each district selected, a management assistance team shall be assigned to provide intensive on-site assistance to the district for a period not to exceed one (1) year.~~

~~(4) The Department of Education, subject to the approval of the board of education, shall contract with persons outside the department to serve on the management assistance teams. The department is authorized to enter into partnership arrangements with business, industry, educational institutions, and local school districts in order to obtain qualified persons. The manager of each team shall be an educator who has experience in the management of a local school district or educational institution. The other members of the team shall possess skills, experience or credentials as appropriate to the needs of the local district.~~

~~(5) The State Board for Elementary and Secondary Education and the local board of education shall develop a work program to address the deficiencies within the district. The program shall at a minimum include:~~

~~(a) Defining the problems in the management and performance of the district;~~

~~(b) Developing or modifying policies and procedures to address the problems;~~

~~(c) Training or retraining of personnel;~~

~~(d) Implementing the new or revised policies and procedures; and~~

~~(e) Monitoring and evaluating the implementation of the results.~~

~~(6) Each management assistance team shall submit to the local board of education regular progress reports. Before the termination of the assistance project, a final report shall be submitted to the State Board for Elementary and Secondary Education for its approval~~].

HB 530, AN ACT relating to education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 158.035 is amended to read as follows:

(1) Except as provided in KRS 214.036, no child shall be eligible to enroll as a student in any public or private elementary or secondary school without first presenting a certificate from a medical or osteopathic physician licensed in any state. The certificate shall state that the child has been immunized against diphtheria, tetanus, poliomyelitis, rubeola, and rubella in accordance with the provisions of this section and KRS 214.010, 214.020, 214.032 to 214.036, and 214.990 and the regulations of the secretary for human resources. The governing body of private and public schools shall enforce the provisions of this section.

(2) A parent, legal guardian, or other person or agency responsible for a student shall notify the student's school if the student has any medical condition, except a sexually transmitted disease as defined in KRS 214.410, which threatens the safety of the student or others in the school. The notification shall be given as soon as the medical condition becomes known and upon each subsequent enrollment by the student in a school. The principal, guidance counselor, or other school official who has knowledge of the medical condition shall notify the student's teachers in writing of the nature of the medical condition. Information about a sexually transmitted disease may be disclosed at the parent's option.

SECTION 2. A NEW SECTION OF KRS CHAPTER 161 IS CREATED TO READ AS FOLLOWS:

Before a student with a documented history of physical abuse of a school employee or of carrying a concealed weapon on school property or at a school function is assigned to work directly with or comes in contact with a teacher, that teacher shall be notified in writing by the principal, guidance counselor, or other school official who has knowledge of the student's behavior. The notice shall describe the nature of the student behavior.

The Committee Amendment No. 1 to **HB 530** is as follows:

Amend printed copy of **HB 530** as follows:

On page 1, by deleting lines 1 through 13, and inserting the following in lieu thereof:

"Section 1. 158.160 is amended to read as follows:"; and

On page 1, line 14 before the word "***A***" delete the Number "***(2)***" and insert in lieu thereof "***(1)***"; and

On page 1, line 16, after the word "***condition***" insert "***which is defined by the Cabinet for Human Resources in administrative regulation as threatening***"; and

On page 1, line 16, delete ","; and

On page 1, line 17, delete line in its entirety; and

On page 1, line 18, delete "***214.410, which threatens***"; and

On page 2, line 4, after the word "***condition.***" delete all new language; and

On page 2, lines 5-6, delete in their entirety.

On page 2, between lines 6 and 7 insert the following:

"*(2)* If any student is known or suspected to have or be infected with a communicable disease or condition for which a reasonable probability for transmission exists in a school setting, the superintendent of the district may order the student excluded from school. The time period the student is excluded from school shall be in accordance with generally accepted medial standards which the superintendent shall obtain from consultation with the student's physician or the local health officer for the county in which the school district is located. During the presence in any district of dangerous epidemics, the board of education of the school district may order the school closed.".

HB 545, AN ACT relating to instructional materials.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 156 IS CREATED TO READ AS FOLLOWS:

(1) For purposes of KRS Chapter 156.400 to 156.476, unless the context requires otherwise, "instructional materials" means tools used to assist in student learning, such as:

(a) Printed organized materials including, but not limited to, reference books, pamphlets, magazines, weekly readers, workbooks, worktexts, kits, and master units;

(b) Programmed instructional materials, including, but not limited to, computer courseware;

(c) Audiovisual materials including, but not limited to, films, film loops, tapes, slides, filmstrips, recordings, graphic materials, transparencies, globes, maps, charts, and art objects;

(d) Printed or processed materials including, but not limited to, kits, manipulatives, and materials used in lieu of textbooks for particular curriculum areas; and

(e) Minor audiovisual equipment needed to utilize audiovisual materials.

(2) Instructional materials shall not include equipment, except minor audiovisual equipment; furniture; personnel services; teachers' guides and manuals; testing programs; library books; supplies and materials consumed in initial use, and raw or blank materials; or major audiovisual installations, such as public address systems, sound laboratories for language, computers, and televisions including receiving sets and related equipment.

SECTION 2. A NEW SECTION OF KRS CHAPTER 156 IS CREATED TO READ AS FOLLOWS:

(1) The State Board for Elementary and Secondary Education shall promulgate by administrative regulations the method for calculating and distributing a district's textbook and instructional materials allocation. The district's allocation shall be used by schools to purchase:

(a) Textbooks from the state adoption list;

(b) Textbooks not on the state's approved list, if evidence is submitted that the textbook meets the selection criteria of the State Textbook Commission in KRS 156.405 (3)(a) and the subject specific criteria of the textbook reviewers pursuant to KRS 156.407(6);

(c) Instructional materials, with an approved plan pursuant to subsection (2) of this section; or

(d) Any combination of the above.

(2) The district shall identify all purchases made with the textbook and instructional materials allocation and shall keep on file a plan developed by each school, in accordance with administrative regulations promulgated by the State Board for Elementary and Secondary Education, for providing the necessary textbooks and instructional materials for all grades, and subject areas, including the replacement of books and materials during the six (6) year adoption period. A school may carry forward to the next school year any part of its textbook and instructional materials allocation which has been distributed to the district. If a local board does not approve a school council's plan, the council may appeal to the commissioner.

Section 3. KRS 156.440 is amended to read as follows:

(1) Textbook publishers, upon the request of the superintendents of the county and independent school districts, shall furnish to the local boards of education the requested sample copies of their books that were selected and placed on the state multiple list of textbooks by the State Textbook Commission.

(2) Unless otherwise provided by the General Assembly in a budget bill, the board of education of each county and independent school district shall, upon the recommendation of its superintendent and not later than April 15 of any adoption year, select from the state multiple list books or programs for each subject and grade ***which may*** [~~to~~] be ***selected for use*** [~~used~~] as a basal text[~~,~~] in its school system for a period of six (6) years, and any extensions thereof.

(3) [~~County and independent school districts, however, may decline to make textbook adoptions. A school district or districts that decline or fail to make textbook adoptions on or before April 15 shall use the books or programs on the state multiple list designated by the State Textbook Commission for each subject and grade for the adoption period.~~

~~(4)~~] After the local board of education has adopted the basal textbooks ***which may be used in*** [~~for use of~~] the district, and not later than April 20, the superintendent of schools shall send to the chief state school officer a complete list of books adopted properly certified by the chairman and secretary of the board of education.

Section 4. KRS 156.435 is amended to read as follows:

(1) The State Textbook Commission shall, not later than September 20 of any year in which an adoption is to be made, select, approve, and publish a list of books or programs in each subject and grade, taking into account the needs of the various types of students, indicating the student functioning level for which the textbook or program is appropriate.

(2) The State Textbook Commission shall have the authority to reject any book which:

(a) Contains subversive material or information that is offered for listing or adoption. If the commission finds on the multiple list any book which contains subversive material or information, provided the publisher of the book has been given written notice by the secretary of the commission not less than thirty (30) days prior to the meeting, the textbook commission shall have authority to remove the book from the state multiple list;

(b) Is in noncompliance with standards and specifications set forth in KRS 156.410; or

(c) Is not of high quality in terms of the content provided, the audience addressed, the format used, the readability of material or the ancillary materials provided the teacher and students.

(3) The State Textbook Commission shall have the authority to add books to the state list when the list does not contain books for subjects added to the state courses of study.

(4) The chief state school officer shall make and execute contracts for the selected books with the publishers on or before January 1 following the approval of the books selected by the commission. Except as described in KRS 156.400, all contracts shall run for six (6) years.

(5) [~~The State Textbook Commission, on or before May 1, shall designate books or programs on the state multiple list for each subject and grade for use in the school district or districts that decline or fail to make textbook adoptions on or before April 15.~~

~~(6)~~] The chief state school officer shall prepare a multiple list of the selected books or programs and publish the list and send a copy to the superintendents of each county and independent school district in Kentucky on or before October 15 of each adoption year.

Section 5. KRS 156.445 is amended to read as follows:

(1) No textbook shall be used in any public school in Kentucky as a basal textbook unless it has been approved and listed on the state multiple list of textbooks by the State Textbook Commission or unless a school district has applied for and received a waiver of this requirement from the State Board for Elementary and Secondary Education pursuant to subsection (2) of this section. Any changes of textbooks made by the State Textbook Commission shall not become effective until grades and classes of the respective county and independent school districts have completed work for which the adopted book then in use was originally intended. Nothing in this section shall apply to the supplementary books that are needed from time to time.

(2) A local school board ***or school council*** may apply to the State Board for Elementary and Secondary Education to adopt a basal textbook which is not on the multiple list by submitting evidence that the textbook it has chosen meets the selection criteria of the State Textbook Commission in KRS 156.405(3)(a) and the subject specific criteria of the textbook reviewers pursuant to KRS 156.407(6). [~~The State Board for Elementary and Secondary Education shall accept reasonable requests and reimburse the local board for the amount of its books or up to the highest cost of the books on the multiple list, whichever is less.~~]

(3) In approving text materials for private and parochial schools for the purpose of KRS 156.160(3) such text materials shall be approved if they are comprehensive and appropriate to the grade level in question notwithstanding the fact that they may contain elements of religious philosophy.

Section 6. KRS 156.400 is amended to read as follows:

(1) The chief state school officer shall arrange the elementary and secondary school subjects included in the state courses of study as prescribed by the State Board for Elementary and Secondary Education into six (6) adoption groups.

(2) Contracts for each of the six (6) adoption groups shall be for a period of six (6) years and shall be executed on a staggered basis, with one group being up for adoption each year. The six (6) adoption groups shall be arranged as nearly equal in number and purchase cost as possible. Subjects with rapidly changing or highly technical content may be considered more frequently than once during a six (6) year cycle.

(3) The chief state school officer may delay the purchase of books due to insufficient funds[~~, but purchases of books shall be from the current multiple list~~].

Section 7. KRS 156.405 is amended to read as follows:

(1) The purpose of the State Textbook Commission is to provide a list of current and high quality textbooks to local school districts, which complement the educational program in Kentucky schools, and to provide for public participation in the adoption process.

(2) The State Textbook Commission shall consist of the chief state school officer and ten (10) appointive members. The ten (10) members shall be appointed by the State Board for Elementary and Secondary Education upon the recommendation of the chief state school officer for terms of four (4) years with two (2) appointments each year, except that every fourth year there shall be four (4) appointments. No member shall be eligible to serve more than two (2) full terms consecutively. All vacancies that occur on the State Textbook Commission shall be filled in like manner for the remainder of the unexpired terms. The State Textbook Commission shall receive assistance in the textbook selection process from professionals and lay citizens who will serve on a contractual basis and be referred to in this chapter as the "textbook reviewers."

(3) The State Textbook Commission shall:

(a) Select and direct the activities of the textbook reviewers who develop selection criteria and review textbooks and programs;

(b) Develop selection criteria and evaluation forms with the help of the textbook reviewers to be used in the state level selection process;

(c) Approve the evaluative criteria and forms used by the commission and textbook reviewers;

(d) Review the textbook reviewers' evaluations, and textbooks or programs as it deems necessary, in order to select from them a list of high quality books;

(e) Select, approve, and publish a list of high quality textbooks.

(4) The textbook reviewers shall be comprised of twelve (12) individuals for the area or areas being considered for adoption. The textbook reviewers shall be approved by the State Textbook Commission based on the recommendation of the chief state school officer.

(5) The textbook reviewers shall:

(a) Develop and submit to the commission subject specific evaluative criteria to be used in reviewing textbooks;

(b) Review textbooks and programs to determine those of high quality, using evaluative criteria and forms approved by the commission;

(c) Submit to the commission reviews and evaluative forms regarding reviewed textbooks and programs; and.

(d) Attend meetings and training sessions as requested by the commission and the Department of Education.

(6) Eight (8) of the appointive members of the State Textbook Commission shall have had not less than five (5) years, teaching or supervising experience in the public schools of Kentucky and must have had at the time of their appointment at least four (4) years of college training in a recognized institution of higher education. Five (5) members of the commission shall be classroom teachers actively employed in the public schools of Kentucky as teachers in subject field or fields for which the commission will select books. Two (2) members shall be principals, supervisors, or superintendents of public schools or public school systems. One (1) member shall be a member of the faculty of a public institution of higher education engaged in teacher education. Two (2) members shall be lay citizens. In recommending the members of the State Textbook Commission the chief state school officer shall give due regard to representation from rural and urban areas and both elementary and secondary levels when both educational levels are included in the subject field or fields for which adoptions are to be made. The lay citizens shall have children in the public elementary or secondary schools at the time of appointment.

(7) Textbook reviewers shall have the following qualifications: Six (6) of the textbook reviewers shall be instructional supervisors and classroom teachers in various and appropriate grade levels ***primary through grade twelve (12)*** [~~K-12~~], with experience and training in the subject areas to be reviewed. One (1) reviewer shall have expertise and training in learning theory as applied to the classroom situation. One (1) reviewer shall be a current or former university faculty member with expertise in the content area of the textbooks to be reviewed. One (1) reviewer shall have experience and training in readability and formatting of textbooks. Three (3) reviewers shall be parents of children currently enrolled in public schools in Kentucky.

(8) Members of the State Textbook Commission shall receive fifty ($50) dollars per day and reimbursement for their actual expenses while attending commission meetings. Textbook reviewers shall receive remuneration based on the amount of textbooks and programs to be reviewed and criteria to be developed as determined by the chief state school officer. Textbook reviewers shall be hired through a personal service contract and remuneration shall not exceed a maximum of seven-hundred and fifty ($750) dollars annually. Textbook reviewers shall also receive reimbursement for actual expenses while attending reviewer or commission meetings.

(9) The meetings of the State Textbook Commission shall be open to the public and shall be held at least once every quarter and notice of such meeting shall be given in accordance with KRS 424.110 to 424.210.

(10) Not later than May 1 each year the chief state school officer shall call the State Textbook Commission into session. The members of the State Textbook Commission shall elect one (1) of its members as chairman and shall adopt administrative regulations for the procedure of the commission. The chief state school officer shall be the secretary of the commission.

Section 8. KRS 156.407 is amended to read as follows:

(1) The chief state school officer shall, not later than February 1 of each year in which an adoption is to be made, solicit applications for filling twelve (12) positions in each subject area for textbook reviewers;

(2) Solicitation shall be statewide and include specifications which ensure candidates have professional expertise in the subject areas to be reviewed or are parents of children currently enrolled in public schools in Kentucky;

(3) The State Textbook Commission, at its first yearly meeting, shall select textbook reviewers based on a list of qualified applicants prepared by the chief state school officer and giving consideration to his recommendations as specified in KRS 156.405;

(4) The contracts for the textbook reviewers shall extend until the review of textbooks for a given year is completed, but no later than October 15.

(5) The Department of Education's curriculum and instruction specialists shall serve as staff to the commission and reviewers. The staff shall:

(a) Orient and train the commission and reviewers regarding departmental policy and selection procedures;

(b) Make available existing standards and criteria for textbook selection; and

(c) Provide supplies and sample textbooks for the review process.

(6) The textbook reviewers shall develop subject specific criteria for textbook review and evaluation in the following textbook areas:

(a) Subject content***, including its relationship to the valued outcomes***;

(b) Audience;

(c) Format;

(d) Readability; and

(e) Ancillary materials.

On or before July 15, the State Textbook Commission shall develop general criteria, review and approve subject specific criteria, and provide the standard criteria and evaluation forms to be used by the commission and textbook reviewers.

(7) Based upon approval of the standard criteria and evaluation forms, the textbook reviewers shall review textbooks and programs. The committee shall submit evaluation forms rating each textbook or program reviewed in each of the five (5) areas, set forth in subsection (6) of this section, with comments related to strengths and weaknesses in each area.

(8) The State Textbook Commission shall review the work of the textbook reviewers and based on this review and any of its own reviews of textbooks or programs, select books for the state multiple list of textbooks. Copies of all evaluation forms submitted by the textbook reviewers shall be made available to commission members and maintained on file within the Department of Education for the cycle length of the books. For those textbooks placed on the state multiple list of textbooks, summary results of the evaluations shall be provided to the local school districts.

Section 9. KRS 157.100 is amended to read as follows:

The chief state school officer, subject to the approval of the State Board for Elementary and Secondary Education, shall purchase textbooks from the publishers whose books have been adopted by the State Textbook Commission and may purchase from any publisher other related media not approved by the State Textbook Commission and distribute them without cost to pupils attending grades kindergarten through twelve (12) of the public schools of the state, in the manner and upon the conditions set out in KRS [~~156.447,~~] 157.110, and 157.180.

Section 10. The following KRS section is repealed:

156.447 Optional purchase of supplemental textbooks, materials, and equipment.

The Committee Substitute to **HB 545** is as follows:

HB 545, AN ACT relating to instructional materials.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 156 IS CREATED TO READ AS FOLLOWS:

For purposes of KRS Chapter 156.400 to 156.476, unless the context requires otherwise, "instructional materials" means tools used to assist in student learning, as defined in administrative regulations promulgated by the State Board for Elementary and Secondary Education.

SECTION 2. A NEW SECTION OF KRS CHAPTER 156 IS CREATED TO READ AS FOLLOWS:

(1) The State Board for Elementary and Secondary Education, upon recommendation of the chief state school officer, shall promulgate an administrative regulation identifying instructional materials eligible for purchase with state textbook funds. The regulation shall identify instructional materials which are subject to review before being approved for use, establish a procedure for the review, and a process for adding an instructional material to the approved list. The Department of Education may pay instructional materials reviewers an amount not to exceed seven hundred fifty dollars ($750) annually per reviewer for their services using funds from the appropriation for state textbooks.

(2) The Department of Education shall establish a list of all approved instructional materials for the use of school personnel.

SECTION 3. A NEW SECTION OF KRS CHAPTER 156 IS CREATED TO READ AS FOLLOWS:

(1) The State Board for Elementary and Secondary Education shall promulgate by administrative regulations the method for calculating and distributing a district's textbook and instructional materials allocation. The district's allocation shall be used by schools to purchase:

(a) Textbooks from the state adoption list;

(b) Textbooks not on the state's approved list, if evidence is submitted that the textbook meets the selection criteria of the State Textbook Commission in KRS 156.405 (3)(b) and the subject specific criteria of the textbook reviewers pursuant to KRS 156.407(6);

(c) Instructional materials, with an approved plan pursuant to subsection (2) of this section; or

(d) Any combination of the above.

(2) The district shall identify all purchases made with the textbook and instructional materials allocation and shall keep on file a plan developed by each school, in accordance with administrative regulations promulgated by the State Board for Elementary and Secondary Education, for providing the necessary textbooks and instructional materials for all grades, and subject areas, including the replacement of books and materials during the six (6) year adoption period. A school may carry forward to the next school year any part of its textbook and instructional materials allocation which has been distributed to the district. If a local board does not approve a school council's plan, the council may appeal to the commissioner.

Section 4. KRS 156.440 is amended to read as follows:

(1) Textbook publishers, upon the request of the superintendents of the county and independent school districts, shall furnish to the local boards of education the requested sample copies of their books that were selected and placed on the state multiple list of textbooks by the State Textbook Commission.

(2) Unless otherwise provided by the General Assembly in a budget bill, the board of education of each county and independent school district shall, upon the recommendation of its superintendent and not later than April 15 of any adoption year, select from the state multiple list books or programs for each subject and grade ***which may*** [~~to~~] be ***selected for use*** [~~used~~] as a basal text[~~,~~] in its school system for a period of six (6) years, and any extensions thereof.

(3) [~~County and independent school districts, however, may decline to make textbook adoptions. A school district or districts that decline or fail to make textbook adoptions on or before April 15 shall use the books or programs on the state multiple list designated by the State Textbook Commission for each subject and grade for the adoption period.~~

~~(4)~~] After the local board of education has adopted the basal textbooks ***which may be used in*** [~~for use of~~] the district, and not later than April 20, the superintendent of schools shall send to the chief state school officer a complete list of books adopted properly certified by the chairman and secretary of the board of education.

Section 5. KRS 156.435 is amended to read as follows:

(1) The State Textbook Commission shall, not later than September 20 of any year in which an adoption is to be made, select, approve, and publish a list of books or programs in each subject and grade, taking into account the needs of the various types of students, indicating the student functioning level for which the textbook or program is appropriate.

(2) The State Textbook Commission shall have the authority to reject any book which:

(a) Contains subversive material or information that is offered for listing or adoption. If the commission finds on the multiple list any book which contains subversive material or information, provided the publisher of the book has been given written notice by the secretary of the commission not less than thirty (30) days prior to the meeting, the textbook commission shall have authority to remove the book from the state multiple list;

(b) Is in noncompliance with standards and specifications set forth in KRS 156.410; or

(c) Is not of high quality in terms of the content provided, the audience addressed, the format used, the readability of material or the ancillary materials provided the teacher and students.

(3) The State Textbook Commission shall have the authority to add books to the state list when the list does not contain books for subjects added to the state courses of study.

(4) The chief state school officer shall make and execute contracts for the selected books with the publishers on or before January 1 following the approval of the books selected by the commission. Except as described in KRS 156.400, all contracts shall run for six (6) years.

(5) [~~The State Textbook Commission, on or before May 1, shall designate books or programs on the state multiple list for each subject and grade for use in the school district or districts that decline or fail to make textbook adoptions on or before April 15.~~

~~(6)~~] The chief state school officer shall prepare a multiple list of the selected books or programs and publish the list and send a copy to the superintendents of each county and independent school district in Kentucky on or before October 15 of each adoption year.

Section 6. KRS 156.445 is amended to read as follows:

(1) No textbook shall be used in any public school in Kentucky as a basal textbook unless it has been approved and listed on the state multiple list of textbooks by the State Textbook Commission or unless a school district has applied for and received a waiver of this requirement from the State Board for Elementary and Secondary Education pursuant to subsection (2) of this section. Any changes of textbooks made by the State Textbook Commission shall not become effective until grades and classes of the respective county and independent school districts have completed work for which the adopted book then in use was originally intended. Nothing in this section shall apply to the supplementary books that are needed from time to time.

(2) A local school board ***or school council*** may apply to the State Board for Elementary and Secondary Education to adopt a basal textbook which is not on the multiple list by submitting evidence that the textbook it has chosen meets the selection criteria of the State Textbook Commission in KRS 156.405(3)***(b)***[~~(a)~~] and the subject specific criteria of the textbook reviewers pursuant to KRS 156.407(6). [~~The State Board for Elementary and Secondary Education shall accept reasonable requests and reimburse the local board for the amount of its books or up to the highest cost of the books on the multiple list, whichever is less.~~]

(3) In approving text materials for private and parochial schools for the purpose of KRS 156.160(3) such text materials shall be approved if they are comprehensive and appropriate to the grade level in question notwithstanding the fact that they may contain elements of religious philosophy.

Section 7. KRS 156.400 is amended to read as follows:

(1) The chief state school officer shall arrange the elementary and secondary school subjects included in the state courses of study as prescribed by the State Board for Elementary and Secondary Education into six (6) adoption groups.

(2) Contracts for each of the six (6) adoption groups shall be for a period of six (6) years and shall be executed on a staggered basis, with one group being up for adoption each year. The six (6) adoption groups shall be arranged as nearly equal in number and purchase cost as possible. Subjects with rapidly changing or highly technical content may be considered more frequently than once during a six (6) year cycle.

(3) The chief state school officer may delay the purchase of books due to insufficient funds, but ***any*** purchases of books shall be ***in accordance with KRS Chapter 156*** [~~from the current multiple list~~].

Section 8. KRS 156.405 is amended to read as follows:

(1) The purpose of the State Textbook Commission is to provide a list of current and high quality textbooks to local school districts, which complement the educational program in Kentucky schools, and to provide for public participation in the adoption process.

(2) The State Textbook Commission shall consist of the chief state school officer and ***eleven (11)*** [~~ten (10)~~] appointive members. The ***eleven (11)*** [~~ten (10)~~] members shall be appointed by the State Board for Elementary and Secondary Education upon the recommendation of the chief state school officer for terms of four (4) years with two (2) appointments each year, except that every fourth year there shall be ***five (5)*** [~~four (4)~~] appointments. No member shall be eligible to serve more than two (2) full terms consecutively. All vacancies that occur on the State Textbook Commission shall be filled in like manner for the remainder of the unexpired terms. The State Textbook Commission shall receive assistance in the textbook selection process from professionals and lay citizens who will serve on a contractual basis and be referred to in this chapter as the "textbook reviewers."

(3) The State Textbook Commission shall:

(a) Select and direct the activities of the textbook reviewers who develop selection criteria and review textbooks and programs;

(b) Develop selection criteria and evaluation forms with the help of the textbook reviewers to be used in the state level selection process;

(c) Approve the evaluative criteria and forms used by the commission and textbook reviewers;

(d) Review the textbook reviewers' evaluations, and textbooks or programs as it deems necessary, in order to select from them a list of high quality books;

(e) Select, approve, and publish a list of high quality textbooks.

(4) The textbook reviewers shall be comprised of twelve (12) individuals for the area or areas being considered for adoption. The textbook reviewers shall be approved by the State Textbook Commission based on the recommendation of the chief state school officer.

(5) The textbook reviewers shall:

(a) Develop and submit to the commission subject specific evaluative criteria to be used in reviewing textbooks;

(b) Review textbooks and programs to determine those of high quality, using evaluative criteria and forms approved by the commission;

(c) Submit to the commission reviews and evaluative forms regarding reviewed textbooks and programs; and,

(d) Attend meetings and training sessions as requested by the commission and the Department of Education.

(6) Eight (8) of the appointive members of the State Textbook Commission shall have had not less than five (5) years, teaching or supervising experience in the public schools of Kentucky and must have had at the time of their appointment at least four (4) years of college training in a recognized institution of higher education. Five (5) members of the commission shall be classroom teachers actively employed in the public schools of Kentucky as teachers in subject field or fields for which the commission will select books. Two (2) members shall be principals, supervisors, or superintendents of public schools or public school systems. One (1) member shall be a member of the faculty of a public institution of higher education engaged in teacher education. ***One (1) member shall be the executive director of the Kentucky Educational Publishers Association or any other legitimate trade association of textbook publishers recognized by the State Board for Elementary and Secondary Education, but shall not represent any particular publisher. This member shall have no vote but may otherwise participate in the business of the commission.*** Two (2) members shall be lay citizens. In recommending the members of the State Textbook Commission the chief state school officer shall give due regard to representation from rural and urban areas and both elementary and secondary levels

when both educational levels are included in the subject field or fields for which adoptions are to be made. The lay citizens shall have children in the public elementary or secondary schools at the time of appointment.

(7) Textbook reviewers shall have the following qualifications: Six (6) of the textbook reviewers shall be instructional supervisors and classroom teachers in various and appropriate grade levels ***primary through grade twelve (12)*** [~~K-12~~], with experience and training in the subject areas to be reviewed. One (1) reviewer shall have expertise and training in learning theory as applied to the classroom situation. One (1) reviewer shall be a current or former university faculty member with expertise in the content area of the textbooks to be reviewed. One (1) reviewer shall have experience and training in readability and formatting of textbooks. Three (3) reviewers shall be parents of children currently enrolled in public schools in Kentucky.

(8) Members of the State Textbook Commission***, except the trade association member,*** shall receive fifty ($50) dollars per day and reimbursement for their actual expenses while attending commission meetings. Textbook reviewers shall receive remuneration based on the amount of textbooks and programs to be reviewed and criteria to be developed as determined by the chief state school officer. Textbook reviewers shall be hired through a personal service contract and remuneration shall not exceed a maximum of seven-hundred and fifty ($750) dollars annually. Textbook reviewers shall also receive reimbursement for actual expenses while attending reviewer or commission meetings.

(9) The meetings of the State Textbook Commission shall be open to the public and shall be held at least once every quarter and notice of such meeting shall be given in accordance with KRS 424.110 to 424.210.

(10) Not later than May 1 each year the chief state school officer shall call the State Textbook Commission into session. The members of the State Textbook Commission shall elect one (1) of its ***voting*** members as chairman and shall adopt administrative regulations for the procedure of the commission. The chief state school officer shall be the secretary of the commission.

Section 9. KRS 156.407 is amended to read as follows:

(1) The chief state school officer shall, not later than February 1 of each year in which an adoption is to be made, solicit applications for filling twelve (12) positions in each subject area for textbook reviewers;

(2) Solicitation shall be statewide and include specifications which ensure candidates have professional expertise in the subject areas to be reviewed or are parents of children currently enrolled in public schools in Kentucky;

(3) The State Textbook Commission, at its first yearly meeting, shall select textbook reviewers based on a list of qualified applicants prepared by the chief state school officer and giving consideration to his recommendations as specified in KRS 156.405;

(4) The contracts for the textbook reviewers shall extend until the review of textbooks for a given year is completed, but no later than October 15.

(5) The Department of Education's curriculum and instruction specialists shall serve as staff to the commission and reviewers. The staff shall:

(a) Orient and train the commission and reviewers regarding departmental policy and selection procedures;

(b) Make available existing standards and criteria for textbook selection; and

(c) Provide supplies and sample textbooks for the review process.

(6) The textbook reviewers shall develop subject specific criteria for textbook review and evaluation in the following textbook areas:

(a) Subject content***, including its relationship to the valued outcomes***;

(b) Audience;

(c) Format;

(d) Readability; and

(e) Ancillary materials.

On or before July 15, the State Textbook Commission shall develop general criteria, review and approve subject specific criteria, and provide the standard criteria and evaluation forms to be used by the commission and textbook reviewers.

(7) Based upon approval of the standard criteria and evaluation forms, the textbook reviewers shall review textbooks and programs. The committee shall submit evaluation forms rating each textbook or program reviewed in each of the five (5) areas, set forth in subsection (6) of this section, with comments related to strengths and weaknesses in each area.

(8) The State Textbook Commission shall review the work of the textbook reviewers and based on this review and any of its own reviews of textbooks or programs, select books for the state multiple list of textbooks. Copies of all evaluation forms submitted by the textbook reviewers shall be made available to commission members and maintained on file within the Department of Education for the cycle length of the books. For those textbooks placed on the state multiple list of textbooks, summary results of the evaluations shall be provided to the local school districts.

Section 10. KRS 157.100 is amended to read as follows:

The chief state school officer, subject to the approval of the State Board for Elementary and Secondary Education, shall purchase textbooks from the publishers whose books have been adopted by the State Textbook Commission and may purchase from any publisher other related media not approved by the State Textbook Commission and distribute them without cost to pupils attending grades kindergarten through twelve (12) of the public schools of the state, in the manner and upon the conditions set out in KRS [~~156.447,~~] 157.110, and 157.180.

Section 11. The following KRS section is repealed:

156.447 Optional purchase of supplemental textbooks, materials, and equipment.

HB 698, AN ACT relating to education technology and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 157 IS CREATED TO READ AS FOLLOWS:

(1) By establishing the education technology funding program in the School Facilities Construction Commission, the General Assembly expresses its commitment to promote a partnership with the state and the local public school districts to meet the educational technology needs of Kentucky's students in a manner which will insure an equitable distribution of funds.

(2) The School Facilities Construction Commission is empowered to act on behalf of local public school districts to issue bonds in the name of the commission and to enter into lease agreements with local boards of education to finance the purchase or lease of technological equipment and related software or major renovation of existing school facilities to allow the use of educational technology.

SECTION 2. A NEW SECTION OF KRS CHAPTER 157 IS CREATED TO READ AS FOLLOWS:

(1) To participate in the education technology funding program, a local public school district shall have an unmet technology need described in its local district technology plan and approved by the State Board for Elementary and Secondary Education pursuant to its technology master plan, and shall match equally the amount of debt service offered by the School Facilities Construction Commission for this purpose each biennium, except as provided in subsection (2) of this section. Equipment, approved for the Kentucky Education Technology System and included in the local district technology plan, which was acquired prior to the effective date of this Act and for which the district has an outstanding financial obligation shall qualify for commission funding. This provision shall not apply to any purchases or contracts made between the effective date of this Act and the first offers of assistance recommended by the Education Technology Steering Committee to the State Board for Elementary and Secondary Education.

(2) For fiscal year 1992-93, funding shall be allotted to districts without an approved plan upon the recommendation of the Education Technology Steering Committee to the State Board for Elementary and Secondary Education.

(3) If a local board of education determines that for any reason the district's approved technology plan is grossly inconsistent with the administrative regulations governing the development of the plan, the local board may certify, by official action, the reason for the inconsistency and may request that the Department

of Education reevaluate the technology plan of the district. After review of the data, the chief state school officer may require a reevaluation and the approval of a new technology plan certified prior to an official offer from the School Facilities Construction Commission. If the chief state school officer elects to recommend the new technology plan to the State Board for Elementary and Secondary Education, the board shall notify the School Facilities Construction Commission of any change required in the offer of assistance for the district.

SECTION 3. A NEW SECTION OF KRS CHAPTER 157 IS CREATED TO READ AS FOLLOWS:

The School Facilities Construction Commission shall be governed by the following procedures in making an offer of assistance to local public school districts for providing education technology:

(1) The base level of assistance to each eligible district shall be determined by dividing the total amount available for education technology by the total of the prior year's statewide average daily attendance of the eligible districts times the district's prior year's average daily attendance. Each district's base funding level shall be adjusted by the following factors:

(a) The number of at-risk students in the district. At-risk students shall be identified as those approved for the free lunch program under state and federal guidelines. The number of at-risk students shall be multiplied by the factor to be established by the General Assembly pursuant to KRS 157.360; and

(b) The number and types of exceptional children in the district as defined by KRS 157.200. The costs associated with the education of exceptional children based on the count of pupils with different exceptionalities, an appropriate pupil-teacher ratio, and total per-pupil costs shall be established pursuant to KRS 157.360.

(2) Any school district which receives an offer of assistance may sell bonds or execute a lease/purchase agreement up to sixty (60) days before receiving the offer of assistance for approved purchases.

(3) The funds shall be applied to the projects listed in the district's technology plan, and the funds shall be applied to projects in the priority order listed on the plan except as provided in subsection (2) of Section 2 of this Act.

(4) The commission shall establish administrative regulations by which a district that receives an offer of assistance but does not have the local match shall be able to accumulate a credit for the state offer of assistance for a period not to exceed three (3) years.

(5) All unused state funds allocated according to the provisions of subsection (1) of this section shall be reallocated by the commission. The reallocation shall follow the process and intent as set forth in this section with eligible districts being those districts which have the available local matching funds and have not completely implemented the Kentucky Education Technology System.

SECTION 4. A NEW SECTION OF KRS CHAPTER 157 IS CREATED TO READ AS FOLLOWS:

(1) To carry out the purpose of providing educational technology for the public system of education pursuant to KRS Chapter 156, the Kentucky education technology trust fund is hereby established in the Finance and Administration Cabinet. Funds appropriated by the General Assembly in each biennial budget for the purchase or lease of education technology for the public system of education shall be credited to the fund and invested until needed. All interest earned on money in the fund shall be retained in the fund for reinvestment.

(2) All funds appropriated for these purposes by the 1990 and 1992 Regular Sessions of the General Assembly and thereafter, and any interest generated by these funds, shall be transferred to the account on the effective date of the Act. All money credited to the fund, including interest, shall be used only for education technology purposes as defined by the State Board for Elementary and Secondary Education's technology master plan and shall not lapse, but shall be carried forward in the next biennial budget. The purposes expressed in this section shall be deemed to be the purposes for which any budgetary appropriation for educational technology shall have been made.

(3) Fund shall be transferred to the local school districts upon certification of the School Facilities Construction Commission that the district has met the criteria for assistance. All other expenditures shall require the approval of the State Board for Elementary and Secondary Education.

Section 5. KRS 157.611 is amended to read as follows:

(1) By establishing the School Facilities Construction Commission, the General Assembly expresses its commitment to help local districts meet the school construction needs ***and the education technology needs*** of the state in a manner which will insure an equitable distribution of funds based on unmet ***facilities*** need ***and the total implementation of the Kentucky Education Technology System***.

(2) The commission is empowered to act on behalf of school districts to issue bonds in the name of the commission and to enter into lease agreements with local boards of education to finance construction of new facilities***,*** [~~or~~] major renovation of existing school facilities***, or education technology equipment and selected software identified in the technology master plan***. The commission is also empowered to enter into agreements which may provide for a percentage discount, on a biennially renewable basis, of annual lease agreements due the commission for those districts which participate. The commission is also empowered to enter into lease agreements with the Department of Education to build state-owned facilities operated by the Department of Education ***or to purchase or lease education technology equipment and related software identified in the technology master plan for those facilities or the Department of Education***.

(3) ***The commission shall administer two (2) separate programs: the school construction funding program and the education technology funding program. Funds appropriated for each program shall be maintained, administered, and audited separately.***

(4) Nothing in KRS 157.611 to 157.640 shall prohibit a school district from issuing bonds in accordance with KRS Chapter 162.

Section 6. KRS 157.615 is amended to read as follows:

As used in KRS 157.611 to 157.640, unless the context requires otherwise:

(1) "Available local revenue" means the sum of the school building fund account balance; the bonding potential of the capital outlay fund; the capital outlay fund account balance; and the general fund balance minus ten percent (10%) of the annual general fund above-the-line budget. These accounts shall be as defined in the manual for Kentucky school financial accounting systems;

(2) "Board of education" means the governing body of a county school district or an independent school district;

(3) "Bonds" or "bonds of the commission" means bonds issued by the commission, or issued by a city or county in accordance with KRS Chapter 162, payable as to principal and interest from rentals received from a board of education or from the department pursuant to a lease or from contributions from the commission, and constitute municipal bonds exempt from taxation under the Constitution of the Commonwealth;

(4) "Department" means the State Department of Education;

(5) ***"District technology plan" means the plan developed by the local district and the Department of Education and approved by the State Board for Elementary and Secondary Education upon the recommendation of the Education Technology Steering Committee;***

(6) "Equivalent tax rate" means the rate which results when the income from all taxes levied by the district for school purposes is divided by the total assessed value of property plus the assessment for motor vehicles certified by the Revenue Cabinet as provided by KRS 160.470. The amount of income from any voted building tax shall be included in computing the equivalent tax rate;

(7)[~~(6)~~] ***"Kentucky Education Technology System" means the statewide system set forth in the technology master plan issued by the State Board for Elementary and Secondary Education with the recommendation of the Education Technology Steering Committee and approved by the Legislative Research Commission;***

(8) "Lease" or "lease instrument" means a written instrument for the leasing of one (1) or more school projects executed by the commission as lessor and a board of education as lessee, or executed by the commission as lessor and the department as lessee, as the case may be;

(9) "Lease/purchase agreement" means a lease between the school district, the commission, or the department and a vendor that includes an option to purchase the technology equipment or software at the end of the lease period;

(10)[~~(7)~~] "Percentage discount" means the degree to which the commission will participate in meeting the bond and interest redemption schedule required to amortize bonds issued by the commission on behalf of a local school district;

(11)[~~(8)~~] "Project" means a defined item of need to construct new facilities or to provide major renovation of existing facilities which is identified on the priority schedule of the approved school facilities plan;

(12)[~~(9)~~] "School facilities plan" means the plan developed pursuant to the survey specified by KRS 157.420 and by administrative regulations of the State Board for Elementary and Secondary Education;

(13) "Technology master plan" means the long-range plan for the implementation of the Kentucky Education Technology System as developed by the Education Technology Steering Committee and approved by the State Board for Elementary and Secondary Education and the Legislative Research Commission;

(14)[~~(10)~~] "Unmet ***facilities*** need" means the total cost of new construction and major renovation needs as shown by the approved school facilities plan less any available local revenue;

(15) "Unmet technology need" means the total cost of technology equipment need as shown by the approved technology plan of the local district; and

(16)[~~(11)~~] "Eligible district" ***means*** [~~shall mean~~] any local school district having an unmet ***facilities*** need, as defined in this section, in excess of one hundred thousand dollars ($100,000) ***or a district qualifying for education technology funding***.

Section 7. KRS 157.625 is amended to read as follows:

(1) Bonds of the commission shall be issued in the name of the commission, shall be designated "school building revenue bonds" or, if appropriate, "school building revenue refunding bonds[~~,~~]" ***or "school technology bonds,"*** and shall additionally be identified by the name of the board of education executing the lease. If the commission shall issue more than one (1) series of bonds for the same lessee from time to time, each series, including the first or subsequent to the first, shall additionally be identified distinctly by alphabetical or chronological designation, by date of the bonds, or otherwise as the commission may determine.

(2) For the purpose of determining any limit prescribed by any law for investment of any public funds, or funds of banks, trust companies, insurance companies, building and loan associations, credit unions, pension and retirement funds, and fiduciaries, in obligations of a single obligor, bonds issued by the commission pursuant to KRS 157.615 to 157.640 shall not be deemed to be bonds or obligations of the same obligor except to the aggregate of all series of bonds involving leases of a single board of education.

(3) Bonds issued by the commission under the provisions of KRS 157.615 to 157.640 are hereby made securities in which all public officers and public bodies of the Commonwealth and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, trustees, and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of a similar nature may properly and legally invest funds, including capital in their control or belonging to them. The bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the Commonwealth for any purpose for which the deposit of bonds or other obligations of the Commonwealth is now or may hereafter be authorized by law.

(4) Nothing contained ***in this section*** [~~herein~~] shall be construed to prohibit a board of education from electing to issue bonds on the local level through a city, county, or other agency and instrumentality of the board of education, and in such event the commission may enter into a participation agreement with the board of education implementing the commission's participation in the financing plan represented by the bonds. In the event of the issuance of bonds on the local level, the board of education may pledge and assign the commission's participation to the issuer to secure the bonds, and may contract with the issuer to permit the collection by the commission or the issuer of rentals due from the board of education under the lease in the event of a failure by the board of education to make the payments in a timely manner.

Section 8. KRS 157.627 is amended to read as follows:

In connection with each bond issue of the commission as defined in KRS 157.615(3), it shall be the duty of the commission:

(1) To require the district board of education to insure the ***facilities*** project to its full insurable value, or to the amount of the bonds outstanding from time to time, whichever is the less, against the hazards covered by the standard fire insurance policy with standard endorsement of "extended coverage," and to require that a copy of each policy be delivered to the commission for inspection and for its records;

(2) To require periodic accounting from all depositories of funds, the same to be submitted on forms prepared and supplied by the commission;

(3) To furnish to the certified public accountant auditing the district, summary identification and description of each issue, and to request that the financial records of the board of education relating thereto be audited as a part of the annual audit of the board of education, and that a separate statement or report thereof be filed with the commission;

(4) To send to each board of education at least thirty (30) days before the due date of any rental payment a notice of the amount of rental to become due and the date thereof, and to require acknowledgment thereof; and

(5) To receive from the board of education, satisfactory evidence that sufficient funds have been transmitted to the commission or its agent, or will be so transmitted, in the event of the board's failure to pay debt service and administrative costs when due, as provided in the lease, to notify and request that the department withhold from the board of education a sufficient portion of any undisbursed funds then held or set aside or allocated to it, and to request that the department transfer the required amount thereof to the commission for the account of the board of education.

Section 9. KRS 157.630 is amended to read as follows:

Bonds of the commission shall be sold in ***the*** [~~such~~] form and [~~in such~~] manner [~~as~~] the commission deems appropriate in accordance with prevailing market conditions***, but technology bonds shall not be sold for longer than seven (7) years or the useful life of the equipment as established by the master plan, whichever is less***. If the bonds are sold on the basis of sealed bids or proposals, the "publication area," as that term is used in KRS Chapter 424, shall not be deemed to be the area within which the office of the commission is situated, but shall be deemed to be the "publication area" of the board of education executing the lease. If the bonds are sold on the basis of sealed bids or proposals, the sale shall be publicly advertised by means of a notice conforming to the provisions of KRS 424.140, and the same shall be published at least one (1) time, at least seven (7) days in advance of the date set forth for opening bids, in a daily newspaper having bona fide general circulation throughout the Commonwealth. If such publication is made, it shall be sufficient for publication in the "publication area" to be made only one (1) time, at least seven (7) days in advance of the date set forth for the opening of bids. If a copy of the sale notice be delivered or transmitted in good faith to the qualified newspaper of the "publication area" in time for publication in an issue thereof published seven (7) days or more in advance of the date set forth for the opening of bids, and with direction for publication therein, any failure of such newspaper to make publication as directed shall not invalidate the sale of the bonds by the commission on the designated date, nor require postponement or cancellation thereof.

Section 10. KRS 156.665 is amended to read as follows:

(1) There is hereby established the Council for Education Technology which shall be an advisory group [~~attached~~] to the ***Education Technology Steering Committee*** [~~State Board for Elementary and Secondary Education. The Council shall develop a specific plan for education technology within broad parameters established by the State Board for Elementary and Secondary Education~~].

(2) The council shall consist of nine (9) members who shall be appointed by the Governor [~~upon July 13, 1990, with the consent of the House of Representatives and the Senate. If the General Assembly is not in session at the time of appointment, the consent of the General Assembly shall be obtained during the time the General Assembly next convenes~~]. Members shall be acknowledged leaders in research, technology, economic development, education, and business. Membership shall not be restricted to Kentucky residents, and every effort shall be made to obtain the services of those whose intelligence and knowledge of education and technology will be of greatest benefit to the Commonwealth. A majority of the membership present at any meeting shall constitute a quorum for the official conduct of business.

(3) Members shall be appointed for four (4) year terms and may be reappointed. Upon July 13, 1990, the initial members of the board shall be appointed as follows: two (2) members shall be appointed for terms of two (2) years; three (3) members shall be appointed for terms of three (3) years; and four (4) members shall be appointed for terms of four (4) years. Members shall receive no compensation but may be reimbursed for actual and necessary expenses in accordance with state laws and regulations.

(4) [~~Immediately upon receiving notice of the appointment of all members, the chief state school officer shall call an organizational meeting. At this meeting the chief state school officer shall preside as temporary chairman, and the council shall elect from among the members a chairman and any other officers it deems necessary, and define the duties of the officers.~~

~~(5) At the organizational meeting, or at any subsequent meeting, the council may elect an executive committee, not fewer than three (3) in number. The council shall define the scope, duties, and powers of the executive committee to transact business between meetings.~~

~~(6)~~] Meetings shall be held at least two (2) times per year at a time and place designated by the chairman. The State Board for Elementary and Secondary Education shall provide staff support for the council.

(5)[~~(7)~~] The duties and responsibilities of the council shall include, but not be limited to, the following:

(a) ***Monitoring the Commonwealth's technology*** [~~Developing a long-range~~] plan for the efficient and equitable use of technology at all levels from primary school through higher education, including vocational and adult education. ***Comments on all aspects of education technology shall be forwarded to the Education Technology Steering Committee*** [~~The plan shall focus on the technology requirements of classroom instruction, literacy laboratories, instructional management, distance learning, and communications as they relate to the Commonwealth's outcome goals for students as described in KRS 158.6451;~~ .

~~(b) Creating, overseeing, and monitoring a well-planned and efficient statewide network of technology services designed to meet the educational and informational needs of the schools~~];

(b)[~~(c)~~] Working with private enterprise to encourage the development of technology products specifically designed to answer Kentucky's educational needs;

(c)[~~(d)~~] Encouraging an environment receptive to technological progress in education throughout the Commonwealth;

[~~(e) Recommending a policy governing the granting of right of ways for the laying of fiber optic cable in a manner to insure that all of Kentucky's citizens are served equitably, that the fiber optic system is available for educational technology purposes, and that the private and public sectors are partners in the venture;~~] and

(d)[~~(f)~~] Receiving, holding, investing, and administering all funds received by the council for the purpose of carrying out its duties and responsibilities, as set out in this section. These funds shall be spent with the aim of achieving equality of education throughout the Commonwealth.

Section 11. KRS 156.670 is amended to read as follows:

(1) ***The Education Technology Steering Committee appointed by the chief state school officer in 1991 as an advisory committee and composed of one (1) member of the State Board for Elementary and Secondary Education, two (2) members of the Council for Education Technology, two (2) members of the Legislative Research Commission, and two (2) members of the Department of Education shall continue to serve until vacancies occur, but no longer than July 1, 1994. Vacancies shall be filled by the Governor for terms of four (4) years. The steering committee*** [~~By January 1, 1991, the council~~] shall develop the ***master*** [~~broad parameters of the initial five (5) year~~] plan for education technology and submit the plan to the ***State Board for Elementary and Secondary Education and the*** Legislative Research Commission for approval. Implementation of ***each stage*** [~~the first stages~~] of the ***master*** plan shall begin immediately upon approval ***of the board and the Legislative Research Commission.*** The plan shall outline the Commonwealth's five (5) year activities related to purchasing, developing, and using technology to:

(a) Improve learning and teaching and the ability to meet individual students' needs to increase student achievement;

(b) Improve curriculum delivery to help meet the needs for educational equity across the state;

(c) Improve delivery of professional development;

(d) Improve the efficiency and productivity of administrators; and

(e) Encourage development by the private sector and acquisition by districts of technologies and applications appropriate for education.

(2) The five (5) year plan shall cover all aspects of education technology, including but not limited to, its use in educational instruction and administration, video and computer systems, software and hardware, multiple delivery systems for satellite, microwave, cable, instructional television fixed service, fiber optic, and computer connections products, the preparation of school buildings for technological readiness, and the development of staff necessary to implement the plan.

(3) ***The five (5) year plan shall recommend a policy governing the granting of rights-of-way for the laying of fiber optic cable in a manner to insure that all of Kentucky's citizens are served equitably, that the fiber optic system is available for educational technology purposes, and that the private and public sectors are partners in the venture.***

(4) The five (5) year plan shall include specific recommendations to the State Board for Elementary and Secondary Education for the adoption of administrative regulations to establish and implement a uniform and integrated system of standards and guidelines for financial accounting and reporting which shall be used by all school districts. [~~These recommendations shall be submitted January 1, 1991.~~]

(4) The integrated technology-based communications system shall provide comprehensive, current, accurate, and accessible information relating to management, finance, operations, instruction, and pupil programs which are under the jurisdiction of the Department of Education. [~~The system shall be operational by the beginning of the 1991-92 school year.~~]

(5) To facilitate communication among teachers, parents, students, and prospective employers of students, and to provide access to many vital technological services, the five (5) year plan shall include the installation of a telephone in each classroom.

(6) In designing and implementing the five (5) year plan, the ***steering committee*** [~~council~~] shall consider seeking the active participation of private organizations whose knowledge and assistance will be useful.

(7) The ***steering committee*** [~~council~~] shall update as necessary the plan developed under subsection (2) of this section and report to the Legislative Research Commission ***at the completion of each implementation phase of the master plan*** [~~by July 1 of each year~~].

(8) The ***steering committee*** [~~council~~] shall submit its recommendations to the State Board for Elementary and Secondary Education, which shall accept the recommendations, or return them to the ***steering committee*** [~~council~~] along with suggestions for changes to make the recommendations consistent with the policies of the State Board for Elementary and Secondary Education.

Section 12. KRS 156.160 is amended to read as follows:

(1) The State Board for Elementary and Secondary Education shall adopt administrative regulations establishing standards which school districts shall meet in student, program, service, and operational performance. These regulations shall comply with the expected outcomes for students and schools set forth in KRS 158.6451. Administrative regulations shall be adopted for the following:

(a) Courses of study for the different grades and kinds of common schools, including procedures for developing an ungraded primary program which shall be implemented by the beginning of the 1992-93 school year;

(b) The acquisition and use of educational equipment for the schools as recommended by the Council for Education Technology;

(c) The minimum requirements for high school graduation. Prior to the beginning of the 1994-95 school year, the State Board for Elementary and Secondary Education shall review graduation requirements in light of the expected outcomes for students and schools set forth in KRS 158.6451;

(d) Taking, and keeping a school census, and the forms, [~~and~~] blanks***, and software*** to be used in taking and keeping the census and in compiling the required reports. ***The board shall create a statewide student identification numbering system based on students' Social Security numbers. The system shall provide a student identification number similar to, but distinct from, the Social Security number, for each student who does not have a Social Security number***;

(e) Sanitary and protective construction of public school buildings, toilets, physical equipment of school grounds, school buildings, and classrooms. With respect to physical standards of sanitary and protective construction for school buildings, the State Board for Elementary and Secondary Education shall adopt the Uniform State Building Code;

(f) Medical inspection, physical and health education and recreation, and other regulations deemed necessary or advisable for the protection of the physical welfare and safety of the public school children. The regulations shall set requirements for student health standards to be met by all students in grades four (4), eight (8), and twelve (12) pursuant to the outcomes described in KRS 158.6451. Such regulations shall permit a student who received a physical examination no more than six (6) months prior to his initial admission to Head Start to substitute that physical examination for the physical examination required by the State Board for Elementary and Secondary Education of all students upon initial admission to the public schools, if the physical examination given in the Head Start program meets all the requirements of the physical examinations prescribed by the State Board for Elementary and Secondary Education;

(g) The transportation of children to and from school;

(h) The fixing of holidays on which schools may be closed and special days to be observed, and the pay of teachers during absence because of sickness or quarantine or when the schools are closed because of quarantine;

(i) The preparation of budgets and salary schedules for the several school districts under the management and control of the State Board for Elementary and Secondary Education;

(j) A uniform series of forms and blanks, educational and financial, including forms of contracts, for use in the several school districts; and

(k) The disposal of real and personal property owned by local boards of education.

(2) At the request of a local school council, any local school district superintendent shall request that the State Board for Elementary and Secondary Education waive any administrative regulation promulgated by that board. Prior to the 1994-95 school year, the requested waiver shall be granted to any school meeting the standards adopted pursuant to subsection (1) of this section. After the 1994-95 school year begins, a school shall exceed its threshold to be granted a waiver from regulations. Regulations relating to health and safety, civil rights, any state regulation required by a federal law, and regulations promulgated pursuant to KRS 158.6451, 158.6453, 158.6455, 158.685, and this section, relating to measurement of performance outcomes and determination of successful schools shall not be subject to waiver. Any waiver granted under this subsection shall be subject to revocation upon a determination by the State Board for Elementary and Secondary Education that the school holding the waiver has subsequently failed to reach its threshold level as provided for in KRS 158.6455.

(3) Any private, parochial, or church school may voluntarily comply with curriculum, certification, and textbook standards established by the State Board for Elementary and Secondary Education and be certified upon application to the board by such schools.

Section 13. KRS 213.031 is amended to read as follows:

The state registrar, under the supervision of the commissioner of health, shall:

(1) Administer and enforce the provisions of this chapter and the administrative regulations issued hereunder; issue instructions for the efficient administration of the system of vital statistics; direct the system and Office of Vital Statistics and be custodian of its records; supervise the activities of all persons when they are engaged in the operation of the system; and conduct training programs to promote uniformity of the system's policy and procedures throughout the Commonwealth;

(2) With the approval of the cabinet, design, furnish, and distribute forms required by this chapter and the administrative regulations issued hereunder, or prescribe other means for transmission of data to accomplish the purpose of complete and accurate reporting and registration;

(3) ***Coordinate and maintain in accordance with administrative regulations promulgated pursuant to this subsection, a system by which a child's Social Security number is transferred by the Office of Vital Statistics to the Department of Education after receiving parental permission for the number to be used for planning and tracking purposes by the Department of Education, local school districts, and the office. The regulations, at a minimum, shall establish a process to allow a parent or guardian when completing a certificate of birth to request that a Social Security number be assigned the child and that the number be automatically transmitted to the Department of Education for student identification purposes;***

(4) Assist in preparing and publishing reports of vital statistics of the Commonwealth and other reports as required;

(5)[~~(4)~~] Provide to local health departments copies of or data derived from certificates and reports required under this chapter. The state registrar shall establish a schedule with each local health department for transmittal of the copies or data. The copies shall remain the property of the Office of Vital Statistics, and the uses which may be made of them and the period of their retention in the county shall be governed by the state registrar;

(6)[~~(5)~~] Prepare and maintain a complete continuous index of all vital records registered under this chapter and provide, at not more than two (2) year intervals, a copy of the index to each local registrar; and

(7)[~~(6)~~] Investigate cases of irregularity or violation of this chapter and when the cabinet deems it necessary, report violations to the Commonwealth's attorney of the proper county for prosecution.

Section 14. KRS 45A.340 is amended to read as follows:

(1) No officer or employee of the General Assembly, or officer or employee of an agency as defined in KRS 45A.335, shall knowingly receive or agree to receive, directly or indirectly, compensation for any services to be rendered, either by himself or another, in negotiations with the state or an agency for the purchase by the state or an agency of an interest in real property. This section shall not apply to appearances before any court, except that negotiations shall be prohibited as aforesaid at any time.

(2) No officer or employee of an agency or member of a state board or commission, may be in any manner interested, either directly or indirectly, in his own name or in the name of any other person, association, trust, or corporation, in any contract for the performance of any work in the making or letting or administration of which such officer or employee may be called upon to act or vote. No such officer or employee may represent, either as agent or otherwise, any person, association, trust, or corporation, with respect to any application or bid for any contract or work in regard to which such officer or employee may be called upon to act or vote. Nor may any such officer or employee take, solicit, or receive, either directly or indirectly, any money or other thing of value as a gift or bribe or means of influencing his vote or action in his official character. Any contract made and procured in violation hereof is void. For the purposes of this section the holding of less than five percent (5%) of the stock of a corporation is not considered an interest.

(3) No officer or employee of the General Assembly or officer or employee of any agency shall, for compensation, appear before an agency as an expert witness.

(4) No officer or employee of the General Assembly, or officer or employee of any agency, shall act as officer or agent for the Commonwealth or any agency in the transaction of any business with himself, or with any corporation, company, association, or firm in which he or his spouse has any interest greater than five percent (5%) of the total value thereof.

(5) No officer or employee of an agency or appointee shall knowingly himself or by his partners or through any corporation which he controls or in which he owns or controls more than ten percent (10%) of the stock, or by any other person for his use or benefit or on his account, undertake, execute, hold, or enjoy, in whole or in part, any contract, agreement, sale, or purchase of the value of twenty-five dollars ($25) or more, made, entered into, awarded or granted by any agency, unless said contract, agreement, sale or purchase was made or let after public notice and competitive bidding.

(6) No officer, employee, or appointee of an agency, including persons who serve without salary or other payment for their services, shall knowingly receive or agree to receive, directly or indirectly, compensation for any services rendered or to be rendered, either by himself or another, in any cause, proceeding, application, or other matter which is before said agency or before the department of state government in which said agency functions.

(7) No member of a board of trustees or regents shall have an interest in any contract with a state university unless such contract shall have been subjected to competitive bidding in compliance with KRS Chapter 45A, unless such trustee or regent shall have been the lowest bidder and unless such trustee or regent shall have first notified in writing the remaining members of the board, and to the newspaper having the largest circulation in the county in which the state university is located, of his intention to bid on such contract.

(8) No individual or company under contract with the Commonwealth to develop a request for proposals shall submit a bid on the request for proposal he has developed, or knowingly receive directly or indirectly any compensation or benefit from the work specified in the request for proposals or the resulting contracts.

Section 15. KRS 157.390 is amended to read as follows:

(1) (a) The chief state school officer, under administrative regulations of the State Board for Elementary and Secondary Education, shall classify teachers in rank as follows:

Rank I. Those holding regular certificates and who have a master's degree in a subject field approved by the State Board for Elementary and Secondary Education or equivalent preparation and who have earned thirty (30) semester hours of approved graduate work or its equivalent, and those teachers who, as of September 1, 1962, were included in Rank I, having earned twenty-four (24) semester hours of additional approved graduate work.

Rank II. Those holding regular certificates and who have a master's degree in a subject field approved by the State Board for Elementary and Secondary Education or equivalent preparation.

Rank III. Those holding regular certificates and who have an approved four-year college degree or the equivalent.

Rank IV. Those holding certificates and who have ninety-six (96) to one hundred twenty-eight (128) semester hours of approved college training or the equivalent.

Rank V. Those holding certificates and who have sixty-four (64) to ninety-five (95) semester hours of approved college training or the equivalent.

(b) In determining ranks, the chief state school officer, under administrative regulations of the State Board for Elementary and Secondary Education, shall classify teachers who hold valid certificates in the respective ranks according to approved college semester hours of credit. The chief state school officer, in defining preparation for certain types of vocational teachers as equivalent to college training, shall give consideration to apprenticeship training and industrial experience.

(c) Nothing in this subsection shall allow the State Board for Elementary and Secondary Education by regulation to reclassify downward any teachers currently in Ranks I or II.

(2) The chief state school officer, under administrative regulations of the State Board for Elementary and Secondary Education, shall classify teachers in each rank by their years of experience for purposes of the state teacher salary schedule as follows:

1. Zero (0) to three (3) years;

2. Four (4) to nine (9) years;

3. Ten (10) to fourteen (14) years;

4. Fifteen (15) to nineteen (19) years; and

5. Twenty (20) or more years.

(3) (a) The rank and experience of the teacher shall be determined on September 15.

(b) The amount to be included in each school year in the base funding level of a district for teachers' salaries shall be based on the categories of experience in subsection (2) of this section.

(4) The amount to be included in the base funding level for capital outlay shall be determined by multiplying the average daily attendance by the amounts set forth in the biennial budget.

(5) The amount to be included in the public school fund of each district for transportation shall be determined in accordance with the provisions of KRS 157.370.

(6) The total amount of money distributable to each district from the public school fund shall be the sum of the allotments in subsections (3), (4), and (5) of this section, less the amount of local tax revenues generated for school purposes, up to a maximum equivalent local rate of thirty cents ($0.30) as defined by KRS 157.615(***(6)***[~~5)~~].

(7) The State Board for Elementary and Secondary Education shall create a Kentucky professional compensation plan. The plan shall be designed to compensate all teachers at adequate and competitive salary levels throughout their teaching careers. The plan shall establish progressive salary levels with advancement opportunities based upon the professional skills of the teacher and include education, rank, years of teaching service, related duties, specialized training, nonteaching experience, length of work year, performance, and any other professionally-recognized factors which the board considers relevant. The plan shall be developed during the 1990-92 biennium and be implemented in fiscal year 1992-93.

Section 16. KRS 162.385 is amended to read as follows:

(1) Any board of education may obtain buildings for school purposes by proceeding under the provisions of KRS 162.120 to 162.290 utilizing a nonprofit finance corporation established pursuant to the provisions of KRS 273.161 to 273.390, inclusive, and KRS 58.180 as an issuing agency for the bonds instead of a city or county. When applied to such boards of education, KRS 162.120 to 162.290 shall be so read that the term:

(a) "City" means a finance corporation acting as an agency and instrumentality of the board pursuant to KRS 58.180;

(b) "City clerk" means the secretary of the finance corporation;

(c) "Governing body of the city" means the board of directors of the finance corporation or other governing body thereof;

(d) "Mayor" means president or chief executive officer of the finance corporation; and

(e) "Ordinance" means an ordinance, resolution, or trust indenture or a similar document.

(2) In order to promote uniformity in the financing of school facilities, each finance corporation shall include the identity of the school district for which it acts in its title and shall be designated as "______ School District Finance Corporation."

(3) Bonds issued by a finance corporation on behalf of a board of education shall constitute "bonds" within the meaning of KRS 157.615(3) and the School Facilities Construction Commission shall be authorized to assist qualified boards in meeting rental payments due under a lease from the finance corporation to the board which shall constitute a "lease" within the meaning of KRS 157.615***(8)***[~~(6)~~].

SECTION 17. A NEW SECTION OF KRS CHAPTER 156 IS CREATED TO READ AS FOLLOWS:

The chief state school officer shall convene one (1) representative of Kentucky Educational Television, one (1) representative of higher education, and one (1) representative of the Department of Education to create a strategic plan for distance learning in the Commonwealth and submit it to the Legislative Research Commission by July 1, 1993. The plan shall set forth the Commonwealth's vision for developing a long-term and statewide distance learning strategy. It shall include, but not be limited to, definitions of the types of distance learning delivery systems, an evaluation process for determining and certifying the educational and cost effectiveness of each type of delivery system, comparisons of the various types of delivery systems, and recommendations for implementation.

Section 18. Whereas the progress of the Kentucky Education Reform Act has been delayed while waiting for the development of the Kentucky Education Technology System, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

The Committee Substitute to **HB 698** is as follows:

HB 698, AN ACT relating to education technology and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 157 IS CREATED TO READ AS FOLLOWS:

(1) By establishing the education technology funding program in the School Facilities Construction Commission, the General Assembly expresses its commitment to promote a partnership with the state and the local public school districts to meet the educational technology needs of Kentucky's students in a manner which will insure an equitable distribution of funds. Nothing in Sections 1 to 7 of this Act shall be construed as limiting a local school district's legal options to acquire education technology equipment and related software with state dollars if the equipment and software is approved under the master technology plan.

(2) The School Facilities Construction Commission is empowered to assist requesting local boards of education to issue bonds or to enter into lease agreements, or both, to finance the purchase or lease of technological equipment and related software or major renovation of existing school facilities to allow the use of educational technology.

SECTION 2. A NEW SECTION OF KRS CHAPTER 157 IS CREATED TO READ AS FOLLOWS:

(1) To participate in the education technology funding program, a local public school district shall have an unmet technology need described in its local district technology plan and approved by the State Board for Elementary and Secondary Education pursuant to its technology master plan, and shall match equally the amount of funds offered by the School Facilities Construction Commission for this purpose each biennium, except as provided in subsection (2) of this section. Equipment, approved for the Kentucky Education Technology System and included in the local district technology plan, which was acquired prior to the effective date of this Act and for which the district has an outstanding financial obligation shall qualify for commission funding. This provision shall not apply to any purchases or contracts made between the effective date of this Act and the first offers of assistance recommended by the Education Technology Steering Committee to the State Board for Elementary and Secondary Education.

(2) For fiscal year 1992-93, funding shall be allotted to districts without an approved plan upon the recommendation of the Education Technology Steering Committee to the State Board for Elementary and Secondary Education.

(3) If a local board of education determines that for any reason the district's approved technology plan is grossly inconsistent with the administrative regulations governing the development of the plan, the local board may certify, by official action, the reason for the inconsistency and may request that the Department of Education reevaluate the technology plan of the district. After review of the data, the chief state school officer may require a reevaluation and the approval of a new technology plan certified prior to an official offer from the School Facilities Construction Commission. If the chief state school officer elects to recommend the new technology plan to the State Board for Elementary and Secondary Education, the board shall notify the School Facilities Construction Commission of any change required in the offer of assistance for the district.

SECTION 3. A NEW SECTION OF KRS CHAPTER 157 IS CREATED TO READ AS FOLLOWS:

The School Facilities Construction Commission shall be governed by the following procedures in making an offer of assistance to local public school districts for providing education technology:

(1) The base level of assistance to each eligible district shall be determined by dividing the total amount available for education technology by the total of the prior year's statewide average daily attendance of the eligible districts times the district's prior year's average daily attendance.

(2) Any school district which receives an offer of assistance may sell bonds or execute a lease/purchase agreement up to sixty (60) days before receiving the offer of assistance for approved purchases.

(3) The funds shall be applied to the projects listed in the district's technology plan, and the funds shall be applied to projects in the priority order listed on the plan except as provided in subsection (2) of Section 2 of this Act. The first priority for the expenditure of each new offer of assistance shall be to meet the previous obligations of bonds, leases or other financial agreements made for education technology by the district.

(4) The commission shall establish administrative regulations by which a district that receives an offer of assistance but does not have the local match shall be able to accumulate a credit for the state offer of assistance for a period not to exceed three (3) years.

(5) All unused state funds allocated according to the provisions of subsection (1) of this section shall be reallocated by the commission. The reallocation shall follow the process and intent as set forth in this section with eligible districts being those districts which have the available local matching funds and have not completely implemented the Kentucky Education Technology System.

SECTION 4. A NEW SECTION OF KRS CHAPTER 157 IS CREATED TO READ AS FOLLOWS:

(1) To carry out the purpose of providing educational technology for the public system of education pursuant to KRS Chapter 156, the Kentucky education technology trust fund is hereby established in the Finance and Administration Cabinet. Funds appropriated by the General Assembly in each biennial budget for the purchase or lease of education technology for the public system of education shall be credited to the fund and invested until needed. All interest earned on money in the fund shall be retained in the fund for reinvestment.

(2) All funds appropriated for these purposes by the 1990 and 1992 Regular Sessions of the General Assembly and thereafter, and any interest generated by these funds, shall be transferred to the account on the effective date of the Act. All money credited to the fund, including interest, shall be used only for education technology purposes as defined by the State Board for Elementary and Secondary Education's technology master plan and shall not lapse, but shall be carried forward in the next biennial budget. The purposes expressed in this section shall be deemed to be the purposes for which any budgetary appropriation for educational technology shall have been made.

(3) Fund shall be transferred to the local school districts upon certification of the School Facilities Construction Commission that the district has met the criteria for assistance. All other expenditures shall require the approval of the State Board for Elementary and Secondary Education.

Section 5. KRS 157.611 is amended to read as follows:

(1) By establishing the School Facilities Construction Commission, the General Assembly expresses its commitment to help local districts meet the school construction needs ***and the education technology needs*** of the state in a manner which will insure an equitable distribution of funds based on unmet ***facilities*** need ***and the total implementation of the Kentucky Education Technology System.***

(2) The commission is empowered to act on behalf of school districts to issue bonds in the name of the commission and to enter into lease agreements with local boards of education to finance construction of new facilities***,*** [~~or~~] major renovation of existing school facilities. The commission is also empowered to enter into agreements which may provide for a percentage discount, on a biennially renewable basis, of annual lease agreements due the commission for those districts which participate. The commission is also empowered to enter into lease agreements with the Department of Education to build state-owned facilities operated by the Department of Education ***or to purchase or lease education technology equipment and related software identified in the technology master plan for those facilities or the Department of Education.***

(3) ***The commission shall assist local school boards meet their education technology needs by distributing state funds appropriated for this purpose and by assisting school boards to design efficient finance plans for the bonding, purchase or lease of education technology equipment and related software identified in the technology master plan.***

(4) The commission shall administer two (2) separate programs: the school construction funding program and the education technology funding program. Funds appropriated for each program shall be maintained, administered, and audited separately.

(5) Nothing in KRS 157.611 to 157.640 shall prohibit a school district from issuing bonds in accordance with KRS Chapter 162.

Section 6. KRS 157.615 is amended to read as follows:

As used in KRS 157.611 to 157.640, unless the context requires otherwise:

(1) "Available local revenue" means the sum of the school building fund account balance; the bonding potential of the capital outlay fund; the capital outlay fund account balance; and the general fund balance minus ten percent (10%) of the annual general fund above-the-line budget. These accounts shall be as defined in the manual for Kentucky school financial accounting systems;

(2) "Board of education" means the governing body of a county school district or an independent school district;

(3) "Bonds" or "bonds of the commission" means bonds issued by the commission, or issued by a city or county in accordance with KRS Chapter 162, payable as to principal and interest from rentals received from a board of education or from the department pursuant to a lease or from contributions from the commission, and constitute municipal bonds exempt from taxation under the Constitution of the Commonwealth;

(4) "Department" means the State Department of Education;

(5) ***"District technology plan" means the plan developed by the local district and the Department of Education and approved by the State Board for Elementary and Secondary Education upon the recommendation of the Education Technology Steering Committee;***

(6) "Equivalent tax rate" means the rate which results when the income from all taxes levied by the district for school purposes is divided by the total assessed value of property plus the assessment for motor vehicles certified by the Revenue Cabinet as provided by KRS 160.470. The amount of income from any voted building tax shall be included in computing the equivalent tax rate;

(7)[~~(6)~~] ***"Kentucky Education Technology System" means the statewide system set forth in the technology master plan issued by the State Board for Elementary and Secondary Education with the recommendation of the Education Technology Steering Committee and approved by the Legislative Research Commission;***

(8) "Lease" or "lease instrument" means a written instrument for the leasing of one (1) or more school projects executed by the commission as lessor and a board of education as lessee, or executed by the commission as lessor and the department as lessee, as the case may be;

(9) "Lease/purchase agreement" means a lease between the school district or the department and a vendor that includes an option to purchase the technology equipment or software at the end of the lease period;

(10)[~~(7)~~] "Percentage discount" means the degree to which the commission will participate in meeting the bond and interest redemption schedule required to amortize bonds issued by the commission on behalf of a local school district;

(11)[~~(8)~~] "Project" means a defined item of need to construct new facilities or to provide major renovation of existing facilities which is identified on the priority schedule of the approved school facilities plan;

(12)[~~(9)~~] "School facilities plan" means the plan developed pursuant to the survey specified by KRS 157.420 and by administrative regulations of the State Board for Elementary and Secondary Education;

(13) "Technology master plan" means the long-range plan for the implementation of the Kentucky Education Technology System as developed by the Education Technology Steering Committee and approved by the State Board for Elementary and Secondary Education and the Legislative Research Commission;

(14)[~~(10)~~] "Unmet ***facilities*** need" means the total cost of new construction and major renovation needs as shown by the approved school facilities plan less any available local revenue;

(15) "Unmet technology need" means the total cost of technology equipment need as shown by the approved technology plan of the local district; and

(16)[~~(11)~~] "Eligible district" ***means*** [~~shall mean~~] any local school district having an unmet ***facilities*** need, as defined in this section, in excess of one hundred thousand dollars ($100,000) ***or a district qualifying for education technology funding.***

Section 7. KRS 160.160 is amended to read as follows:

(1) Each school district shall be under the management and control of a board of education consisting of five (5) members, except in counties containing a city of the first class wherein a merger pursuant to KRS 160.041 shall have been accomplished which shall have seven (7) members elected from the divisions and in the manner prescribed by KRS 160.210(5), to be known as the "Board of Education of ____, Kentucky." Each board of education shall be a body politic and corporate with perpetual succession. It may sue and be sued; make contracts; expend funds necessary for liability insurance premiums and for the defense of any civil action brought against an individual board member in his official or individual capacity, or both, on account of an act made in the scope and course of his performance of legal duties as a board member; purchase, receive, hold, and sell property; issue its bonds to build and construct improvements; and do all things necessary to accomplish the purposes for which it is created. Each board of education shall elect a chairman and vice chairman from its membership in a manner and for a term prescribed by the board not to exceed two (2) years.

(2) No board of education shall participate in any financing of school buildings, school improvements, appurtenances thereto, or furnishing and equipment***, including education technology equipment*** without:

(a) First establishing the cost of the project in advance of financing, based on the receipt of advertised, public, and competitive bids for such project, in accordance with KRS Chapter 424; and

(b) Establishing the cost of financing in advance of the sale of any bonds, certificates of participation in any leases, or other evidences of financial commitments issued by or on behalf of such board. Any bonds, leases, participations, or other financial arrangements shall not involve a final commitment of the board until the purchaser or lender involved shall have been determined by public advertising in accordance with KRS Chapter 424.

(3) No board of education shall make a mortgage, lien, or other encumbrance upon any school building owned by the board, or transfer title to any such school building as part of any financing arrangement, without the specific approval of the Department of Education, and without the transaction being entered into pursuant to a detailed plan or procedure specifically authorized by Kentucky statute.

(4) Without the approval of the Department of Education, no board may lease, as lessee, a building or public facility that has been or is to be financed at the request of the board or on its behalf through the issuance of bonds by another public body or by a nonprofit corporation serving as an agency and instrumentality of the board, or by a leasing corporation. Any lease, participation, or other financial arrangement shall not involve a final commitment of the board unless and until the purchaser or lender involved in same shall have been determined by public advertising in accordance with KRS Chapter 424. No transaction shall be entered into by the board except upon the basis of public advertising and competitive bidding in accordance with KRS Chapter 424.

(5) Bonds, notes or leases negotiated to provide education technology shall not be sold for longer than seven (7) years or the useful life of the equipment as established by the state technology master plan, whichever is less.

Section 8. KRS 156.665 is amended to read as follows:

(1) There is hereby established the Council for Education Technology which shall be an advisory group [~~attached~~] to the ***Education Technology Steering Committee*** [~~State Board for Elementary and Secondary Education. The Council shall develop a specific plan for education technology within broad parameters established by the State Board for Elementary and Secondary Education~~].

(2) The council shall consist of nine (9) members who shall be appointed by the Governor [~~upon July 13, 1990, with the consent of the House of Representatives and the Senate. If the General Assembly is not in session at the time of appointment, the consent of the General Assembly shall be obtained during the time the General Assembly next convenes~~]. Members shall be acknowledged leaders in research, technology, economic development, education, and business. Membership shall not be restricted to Kentucky residents, and every effort shall be made to obtain the services of those whose intelligence and knowledge of education and technology will be of greatest benefit to the Commonwealth. A majority of the membership present at any meeting shall constitute a quorum for the official conduct of business.

(3) Members shall be appointed for four (4) year terms and may be reappointed. Upon July 13, 1990, the initial members of the board shall be appointed as follows: two (2) members shall be appointed for terms of two (2) years; three (3) members shall be appointed for terms of three (3) years; and four (4) members shall be appointed for terms of four (4) years. Members shall receive no compensation but may be reimbursed for actual and necessary expenses in accordance with state laws and regulations.

(4) [~~Immediately upon receiving notice of the appointment of all members, the chief state school officer shall call an organizational meeting. At this meeting the chief state school officer shall preside as temporary chairman, and the council shall elect from among the members a chairman and any other officers it deems necessary, and define the duties of the officers.~~

~~(5) At the organizational meeting, or at any subsequent meeting, the council may elect an executive committee, not fewer than three (3) in number. The council shall define the scope, duties, and powers of the executive committee to transact business between meetings.~~

~~(6)~~] Meetings shall be held at least two (2) times per year at a time and place designated by the chairman. The State Board for Elementary and Secondary Education shall provide staff support for the council.

(5)[~~(7)~~] The duties and responsibilities of the council shall include, but not be limited to, the following:

(a) ***Monitoring the Commonwealth's technology*** [~~Developing a long-range~~] plan for the efficient and equitable use of technology at all levels from primary school through higher education, including vocational and adult education. ***Comments on all aspects of education technology shall be forwarded to the Education Technology Steering Committee*** [~~The plan shall focus on the technology requirements of classroom instruction, literacy laboratories, instructional management, distance learning, and communications as they relate to the Commonwealth's outcome goals for students as described in KRS 158.6451;~~

~~(b) Creating, overseeing, and monitoring a well-planned and efficient statewide network of technology services designed to meet the educational and informational needs of the schools~~];

(b)[~~(c)~~] Working with private enterprise to encourage the development of technology products specifically designed to answer Kentucky's educational needs;

(c)[~~(d)~~] Encouraging an environment receptive to technological progress in education throughout the Commonwealth;

[~~(e) Recommending a policy governing the granting of right of ways for the laying of fiber optic cable in a manner to insure that all of Kentucky's citizens are served equitably, that the fiber optic system is available for educational technology purposes, and that the private and public sectors are partners in the venture;~~] and

(d)[~~(f)~~] Receiving, holding, investing, and administering all funds received by the council for the purpose of carrying out its duties and responsibilities, as set out in this section. These funds shall be spent with the aim of achieving equality of education throughout the Commonwealth.

Section 9. KRS 156.670 is amended to read as follows:

(1) ***The Education Technology Steering Committee appointed by the chief state school officer in 1991 as an advisory committee and composed of one (1) member of the State Board for Elementary and Secondary Education, two (2) members of the Council for Education Technology, two (2) members of the Legislative Research Commission, and two (2) members of the Department of Education shall continue to serve until vacancies occur, but no longer than July 1, 1994. Vacancies shall be filled by the Governor for terms of four (4) years. The steering committee*** [~~By January 1, 1991, the council~~] shall develop the ***master*** [~~broad parameters of the initial five (5) year~~] plan for education technology and submit the plan to the ***State Board for Elementary and Secondary Education and the*** Legislative Research Commission for approval. Implementation of ***each stage*** [~~the first stages~~] of the ***master*** plan shall begin immediately upon approval ***of the board and the Legislative Research Commission.*** The plan shall outline the Commonwealth's five (5) year activities related to purchasing, developing, and using technology to:

(a) Improve learning and teaching and the ability to meet individual students' needs to increase student achievement;

(b) Improve curriculum delivery to help meet the needs for educational equity across the state;

(c) Improve delivery of professional development;

(d) Improve the efficiency and productivity of administrators; and

(e) Encourage development by the private sector and acquisition by districts of technologies and applications appropriate for education.

(2) The five (5) year plan shall cover all aspects of education technology, including but not limited to, its use in educational instruction and administration, video and computer systems, software and hardware, multiple delivery systems for satellite, microwave, cable, instructional television fixed service, fiber optic, and computer connections products, the preparation of school buildings for technological readiness, and the development of staff necessary to implement the plan.

(3) ***The five (5) year plan shall recommend a policy governing the granting of rights-of-way for the laying of fiber optic cable in a manner to insure that all of Kentucky's citizens are served equitably, that the fiber optic system is available for educational technology purposes, and that the private and public sectors are partners in the venture.***

(4) The five (5) year plan shall include specific recommendations to the State Board for Elementary and Secondary Education for the adoption of administrative regulations to establish and implement a uniform and integrated system of standards and guidelines for financial accounting and reporting which shall be used by all school districts. [~~These recommendations shall be submitted January 1, 1991.~~]

(4) The integrated technology-based communications system shall provide comprehensive, current, accurate, and accessible information relating to management, finance, operations, instruction, and pupil programs which are under the jurisdiction of the Department of Education. [~~The system shall be operational by the beginning of the 1991-92 school year.~~]

(5) To facilitate communication among teachers, parents, students, and prospective employers of students, and to provide access to many vital technological services, the five (5) year plan shall include the installation of a telephone in each classroom.

(6) In designing and implementing the five (5) year plan, the ***steering committee*** [~~council~~] shall consider seeking the active participation of private organizations whose knowledge and assistance will be useful.

(7) The ***steering committee*** [~~council~~] shall update as necessary the plan developed under subsection (2) of this section and report to the Legislative Research Commission ***at the completion of each implementation phase of the master plan*** [~~by July 1 of each year~~].

(8) The ***steering committee*** [~~council~~] shall submit its recommendations to the State Board for Elementary and Secondary Education, which shall accept the recommendations, or return them to the ***steering committee*** [~~council~~] along with suggestions for changes to make the recommendations consistent with the policies of the State Board for Elementary and Secondary Education.

Section 10. KRS 156.160 is amended to read as follows:

(1) The State Board for Elementary and Secondary Education shall adopt administrative regulations establishing standards which school districts shall meet in student, program, service, and operational performance. These regulations shall comply with the expected outcomes for students and schools set forth in KRS 158.6451. Administrative regulations shall be adopted for the following:

(a) Courses of study for the different grades and kinds of common schools, including procedures for developing an ungraded primary program which shall be implemented by the beginning of the 1992-93 school year;

(b) The acquisition and use of educational equipment for the schools as recommended by the Council for Education Technology;

(c) The minimum requirements for high school graduation. Prior to the beginning of the 1994-95 school year, the State Board for Elementary and Secondary Education shall review graduation requirements in light of the expected outcomes for students and schools set forth in KRS 158.6451;

(d) Taking, and keeping a school census, and the forms*,* [~~and~~] blanks*,* ***and software*** to be used in taking and keeping the census and in compiling the required reports. ***The board shall create a statewide student identification numbering system based on students' Social Security numbers. The system shall provide a student identification number similar to, but distinct from, the Social Security number, for each student who does not have a Social Security number***;

(e) Sanitary and protective construction of public school buildings, toilets, physical equipment of school grounds, school buildings, and classrooms. With respect to physical standards of sanitary and protective construction for school buildings, the State Board for Elementary and Secondary Education shall adopt the Uniform State Building Code;

(f) Medical inspection, physical and health education and recreation, and other regulations deemed necessary or advisable for the protection of the physical welfare and safety of the public school children. The regulations shall set requirements for student health standards to be met by all students in grades four (4), eight (8), and twelve (12) pursuant to the outcomes described in KRS 158.6451. Such regulations shall permit a student who received a physical examination no more than six (6) months prior to his initial admission to Head Start to substitute that physical examination for the physical examination required by the State Board for Elementary and Secondary Education of all students upon initial admission to the public schools, if the physical examination given in the Head Start program meets all the requirements of the physical examinations prescribed by the State Board for Elementary and Secondary Education;

(g) The transportation of children to and from school;

(h) The fixing of holidays on which schools may be closed and special days to be observed, and the pay of teachers during absence because of sickness or quarantine or when the schools are closed because of quarantine;

(i) The preparation of budgets and salary schedules for the several school districts under the management and control of the State Board for Elementary and Secondary Education;

(j) A uniform series of forms and blanks, educational and financial, including forms of contracts, for use in the several school districts; and

(k) The disposal of real and personal property owned by local boards of education.

(2) At the request of a local school council, any local school district superintendent shall request that the State Board for Elementary and Secondary Education waive any administrative regulation promulgated by that board. Prior to the 1994-95 school year, the requested waiver shall be granted to any school meeting the standards adopted pursuant to subsection (1) of this section. After the 1994-95 school year begins, a school shall exceed its threshold to be granted a waiver from regulations. Regulations relating to health and safety, civil rights, any state regulation required by a federal law, and regulations promulgated pursuant to KRS 158.6451, 158.6453, 158.6455, 158.685, and this section, relating to measurement of performance outcomes and determination of successful schools shall not be subject to waiver. Any waiver granted under this subsection shall be subject to revocation upon a determination by the State Board for Elementary and Secondary Education that the school holding the waiver has subsequently failed to reach its threshold level as provided for in KRS 158.6455.

(3) Any private, parochial, or church school may voluntarily comply with curriculum, certification, and textbook standards established by the State Board for Elementary and Secondary Education and be certified upon application to the board by such schools.

Section 11. KRS 213.031 is amended to read as follows:

The state registrar, under the supervision of the commissioner of health, shall:

(1) Administer and enforce the provisions of this chapter and the administrative regulations issued hereunder; issue instructions for the efficient administration of the system of vital statistics; direct the system and Office of Vital Statistics and be custodian of its records; supervise the activities of all persons when they are engaged in the operation of the system; and conduct training programs to promote uniformity of the system's policy and procedures throughout the Commonwealth;

(2) With the approval of the cabinet, design, furnish, and distribute forms required by this chapter and the administrative regulations issued hereunder, or prescribe other means for transmission of data to accomplish the purpose of complete and accurate reporting and registration;

(3) ***Coordinate and maintain in accordance with administrative regulations promulgated pursuant to this subsection, a system by which a child's Social Security number is transferred by the Office of Vital Statistics to the Department of Education after receiving parental permission for the number to be used for planning and tracking purposes by the Department of Education, local school districts, and the office. The regulations, at a minimum, shall establish a process to allow a parent or guardian when completing a certificate of birth to request that a Social Security number be assigned the child and that the number be automatically transmitted to the Department of Education for student identification purposes;***

(4) Assist in preparing and publishing reports of vital statistics of the Commonwealth and other reports as required;

(5)[~~(4)~~] Provide to local health departments copies of or data derived from certificates and reports required under this chapter. The state registrar shall establish a schedule with each local health department for transmittal of the copies or data. The copies shall remain the property of the Office of Vital Statistics, and the uses which may be made of them and the period of their retention in the county shall be governed by the state registrar;

(6)[~~(5)~~] Prepare and maintain a complete continuous index of all vital records registered under this chapter and provide, at not more than two (2) year intervals, a copy of the index to each local registrar; and

(7)[~~(6)~~] Investigate cases of irregularity or violation of this chapter and when the cabinet deems it necessary, report violations to the Commonwealth's attorney of the proper county for prosecution.

Section 12. KRS 157.390 is amended to read as follows:

(1) (a) The chief state school officer, under administrative regulations of the State Board for Elementary and Secondary Education, shall classify teachers in rank as follows:

Rank I. Those holding regular certificates and who have a master's degree in a subject field approved by the State Board for Elementary and Secondary Education or equivalent preparation and who have earned thirty (30) semester hours of approved graduate work or its equivalent, and those teachers who, as of September 1, 1962, were included in Rank I, having earned twenty-four (24) semester hours of additional approved graduate work.

Rank II. Those holding regular certificates and who have a master's degree in a subject field approved by the State Board for Elementary and Secondary Education or equivalent preparation.

Rank III. Those holding regular certificates and who have an approved four-year college degree or the equivalent.

Rank IV. Those holding certificates and who have ninety-six (96) to one hundred twenty-eight (128) semester hours of approved college training or the equivalent.

Rank V. Those holding certificates and who have sixty-four (64) to ninety-five (95) semester hours of approved college training or the equivalent.

(b) In determining ranks, the chief state school officer, under administrative regulations of the State Board for Elementary and Secondary Education, shall classify teachers who hold valid certificates in the respective ranks according to approved college semester hours of credit. The chief state school officer, in defining preparation for certain types of vocational teachers as equivalent to college training, shall give consideration to apprenticeship training and industrial experience.

(c) Nothing in this subsection shall allow the State Board for Elementary and Secondary Education by regulation to reclassify downward any teachers currently in Ranks I or II.

(2) The chief state school officer, under administrative regulations of the State Board for Elementary and Secondary Education, shall classify teachers in each rank by their years of experience for purposes of the state teacher salary schedule as follows:

1. Zero (0) to three (3) years;

2. Four (4) to nine (9) years;

3. Ten (10) to fourteen (14) years;

4. Fifteen (15) to nineteen (19) years; and

5. Twenty (20) or more years.

(3) (a) The rank and experience of the teacher shall be determined on September 15.

(b) The amount to be included in each school year in the base funding level of a district for teachers' salaries shall be based on the categories of experience in subsection (2) of this section.

(4) The amount to be included in the base funding level for capital outlay shall be determined by multiplying the average daily attendance by the amounts set forth in the biennial budget.

(5) The amount to be included in the public school fund of each district for transportation shall be determined in accordance with the provisions of KRS 157.370.

(6) The total amount of money distributable to each district from the public school fund shall be the sum of the allotments in subsections (3), (4), and (5) of this section, less the amount of local tax revenues generated for school purposes, up to a maximum equivalent local rate of thirty cents ($0.30) as defined by KRS 157.615(***(6)***[~~5)~~].

(7) The State Board for Elementary and Secondary Education shall create a Kentucky professional compensation plan. The plan shall be designed to compensate all teachers at adequate and competitive salary levels throughout their teaching careers. The plan shall establish progressive salary levels with advancement opportunities based upon the professional skills of the teacher and include education, rank, years of teaching service, related duties, specialized training, nonteaching experience, length of work year, performance, and any other professionally-recognized factors which the board considers relevant. The plan shall be developed during the 1990-92 biennium and be implemented in fiscal year 1992-93.

Section 13. KRS 162.385 is amended to read as follows:

(1) Any board of education may obtain buildings for school purposes by proceeding under the provisions of KRS 162.120 to 162.290 utilizing a nonprofit finance corporation established pursuant to the provisions of KRS 273.161 to 273.390, inclusive, and KRS 58.180 as an issuing agency for the bonds instead of a city or county. When applied to such boards of education, KRS 162.120 to 162.290 shall be so read that the term:

(a) "City" means a finance corporation acting as an agency and instrumentality of the board pursuant to KRS 58.180;

(b) "City clerk" means the secretary of the finance corporation;

(c) "Governing body of the city" means the board of directors of the finance corporation or other governing body thereof;

(d) "Mayor" means president or chief executive officer of the finance corporation; and

(e) "Ordinance" means an ordinance, resolution, or trust indenture or a similar document.

(2) In order to promote uniformity in the financing of school facilities, each finance corporation shall include the identity of the school district for which it acts in its title and shall be designated as "____________ School District Finance Corporation."

(3) Bonds issued by a finance corporation on behalf of a board of education shall constitute "bonds"

within the meaning of KRS 157.615(3) and the School Facilities Construction Commission shall be authorized to assist qualified boards in meeting rental payments due under a lease from the finance corporation to the board which shall constitute a "lease" within the meaning of KRS 157.615***(8)***[~~(6)~~].

SECTION 14. A NEW SECTION OF KRS CHAPTER 156 IS CREATED TO READ AS FOLLOWS:

The chief state school officer shall convene one (1) representative of Kentucky Educational Television, one (1) representative of the Council on Higher Education, and one (1) representative of the Department of Education to create a strategic plan for distance learning in the Commonwealth and submit it to the Legislative Research Commission by July 1, 1993. The plan shall set forth the Commonwealth's vision for developing a long-term and statewide distance learning strategy. It shall include, but not be limited to, definitions of the types of distance learning delivery systems, an evaluation process for determining and certifying the educational and cost effectiveness of each type of delivery system, comparisons of the various types of delivery systems, and recommendations for implementation.

Section 15. Whereas the progress of the Kentucky Education Reform Act has been delayed while waiting for the development of the Kentucky Education Technology System, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

The Committee on Judiciary reported **HB 241**, with Committee Substitute attached thereto, **HB 256**, with Committee Substitute attached thereto, **HB 601** and **HB 646**, with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 241, AN ACT relating to the Kentucky Rules of Evidence and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 422A.0103 is amended to read as follows:

(1) Effect of erroneous ruling. Error may not be predicated upon a ruling which admits or excludes evidence unless a substantial right of the party is affected; and

(a) Objection. In case the ruling is one admitting evidence, a timely objection or motion to strike appears of record, ***and upon request of the court*** stating the specific ground of objection, if the specific ground was not apparent from the context; or

(b) Offer of proof. In case the ruling is one excluding evidence, ***upon request of the examining attorney, the witness may make a specific offer of his answer to the question*** [~~the substance of the evidence was made known to the court by offer or was apparent from the context within which questions were asked~~].

(2) Record of offer and ruling. The court may add any other or further statement which shows the character of the evidence, the form in which it was offered, the objection made, and the ruling thereon. It may direct the making of an offer in question and answer form.

(3) Hearing of jury. In jury cases, proceedings shall be conducted, to the extent practicable, so as to prevent inadmissible evidence from being suggested to the jury by any means, such as making statements or offers of proof or asking questions in the hearing of the jury.

(4) Motions in limine. A party may move the court for a ruling in advance of trial on the admission or exclusion of evidence. The court may rule on such a motion in advance of trial or may defer a decision on admissibility until the evidence is offered at trial. A motion in limine resolved by order of record is sufficient to preserve error for appellate review. Nothing in this rule precludes the court from reconsidering at trial any ruling made on a motion in limine.

(5) Palpable error. A palpable error in applying the Kentucky Rules of Evidence which affects the substantial rights of a party may be considered by a trial court on motion for a new trial or by an appellate court on appeal, even though insufficiently raised or preserved for review, and appropriate relief may be granted upon a determination that manifest injustice has resulted from the error.

Section 2. KRS 422A.0104 is amended to read as follows:

(1) Questions of admissibility generally. Preliminary questions concerning the qualification of a person to be a witness, the existence of a privilege, or the admissibility of evidence shall be determined by the court, subject to the provisions of subsection (2) of this rule. In making its determination it is not bound by the rules of evidence except those with respect to privileges.

(2) Relevancy conditioned on fact. When the relevancy of evidence depends upon the fulfillment of a condition of fact, the court shall admit it upon, or subject to, the introduction of evidence sufficient to support a finding of the fulfillment of the condition.

(3) Hearing of jury. Hearings on the admissibility of confessions or the fruits of searches conducted under color of law shall in all cases be conducted out of the hearing of the jury. Hearings on other preliminary matters shall be so conducted when the interests of justice require, or when an accused is a witness and so requests.

(4) Testimony by accused. The accused does not, by testifying upon a preliminary matter, become subject to cross-examination as to other issues in the case.

(5) Weight and credibility. This rule does not limit the right of a party to introduce before the jury evidence relevant to weight or credibility***, including evidence of bias, interest, or prejudice***.

Section 3. KRS 422A.0403 is amended to read as follows:

Although relevant, evidence may be excluded if its probative value is substantially outweighed by the danger of ***undue*** [~~unfair~~] prejudice, confusion of the issues, or misleading the jury, or by considerations of undue delay, [~~waste of time,~~] or needless presentation of cumulative evidence.

Section 4. KRS 422A.0404 is amended to read as follows:

(1) Character evidence generally. Evidence of a ***person's*** [~~persons~~] character or a trait of character is not admissible for the purpose of proving action in conformity therewith on a particular occasion, except:

(a) Character of accused. Evidence of a pertinent trait of character or of general moral character offered by an accused, or by the prosecution to rebut the same;

(b) Character of victim generally. Evidence of a pertinent trait of character of the victim of the crime offered by an accused, other than in a prosecution for criminal sexual conduct, or by the prosecution to rebut the same, or evidence of a character trait of peacefulness of the victim offered by the prosecution in a homicide case to rebut evidence that the victim was the first aggressor;

(c) Character of witnesses. Evidence of the character of witnesses, as provided in KRS 422A.0607 (KRE 607), 422A.0608 (KRE 608), and 422A.0609 (KRE 609).

(2) Other crimes, wrongs, or acts. Evidence of other crimes, wrongs, or acts is not admissible to prove the character of a person in order to show action in conformity therewith. It may, however, be admissible:

(a) If offered for some other purpose, such as proof of motive, opportunity, intent, preparation, plan, knowledge, identity, or absence of mistake or accident; or

(b) If so inextricably intertwined with other evidence essential to the case that separation of the two (2) could not be accomplished without serious adverse effect on the offering party.

(3) Notice requirement. In a criminal case, if the prosecution intends to introduce evidence pursuant to subsection (2) of this rule as a part of its case in chief, it shall give reasonable pre-trial notice to the defendant of its intention to offer such evidence. Upon failure of the prosecution to give such notice the court may exclude the evidence offered under subsection (2) or for good cause shown may excuse the failure to give such notice and grant the defendant a continuance or such other remedy as is necessary to avoid unfair prejudice caused by such failure.

Section 5. KRS 422A.0405 is amended to read as follows:

(1) Reputation or opinion. In all cases in which evidence of character or a trait of character of a person is admissible, proof may be made by testimony as to general reputation in the community or by testimony in the form of [~~personal~~] opinion.

(2) Inquiry on cross-examination. On cross examination of a character witness, it is proper to inquire if the witness has heard of or knows about relevant specific instances of conduct. However, no specific instance of conduct may be the subject of inquiry under this provision unless the cross-examiner has a factual basis for the subject matter of the inquiry.

(3) Specific instances of conduct. In cases in which character or a trait of character of a person is an essential element of a charge, claim, or defense, proof may also be made of specific instances of that person's conduct.

Section 6. KRS 422A.0407 is amended to read as follows:

When, after an event, measures are taken which, if taken previously, would have made an injury or harm allegedly caused by the event less likely to occur, evidence of the subsequent measures is not admissible to prove negligence [~~or culpable conduct~~] in connection with the event. This rule does not require the exclusion of evidence of subsequent measures when offered for another purpose, such as proving ownership, control, or feasibility of precautionary measures, if controverted, or impeachment.

Section 7. KRS 422A.0410 is amended to read as follows:

Except as otherwise provided in this rule, evidence of the following is not, in any civil or criminal proceeding, admissible against the defendant who made the plea or was a participant in the plea discussions:

(1) A plea of guilty which was later withdrawn;

(2) A plea of nolo contendere ***in a jurisdiction accepting such pleas, and a plea under Alford v. North Carolina, 394 U.S. 956 (1969)***;

(3) Any statement made in the course of formal plea proceedings, under either state procedures or Rule 11 of the Federal Rules of Criminal Procedure, regarding either of the foregoing pleas; or

(4) Any statement made in the course of plea discussions with an attorney for the prosecuting authority which do not result in a plea of guilty or which result in a plea of guilty later withdrawn. However, such a statement is admissible:

(a) In any proceeding wherein another statement made in the course of the same plea or plea discussions has been introduced and the statement ought in fairness be considered contemporaneously with it; or

(b) In a criminal proceeding for perjury or false statement if the statement was made by the defendant under oath, on the record and in the presence of counsel.

Section 8. KRS 422A.0503 is amended to read as follows:

(1) Definitions. As used in this rule:

(a) "Client" means a person, including a public officer, corporation, association, or other organization or entity, either public or private, who is rendered professional legal services by a lawyer, or who consults a lawyer with a view to obtaining professional legal services from the lawyer.

(b) "Representative of the client" means:

1. A person having authority to obtain professional legal services, or to act on advice thereby rendered on behalf of the client; or

2. Any employee or representative of the client who makes or receives a confidential communication:

(i) In the course and scope of his or her employment;

(ii) Concerning the subject matter of his or her employment; and

(iii) To effectuate legal representation for the client.

(c) "Lawyer" means a person authorized, or reasonably believed by the client to be authorized to engage in the practice of law in any state or nation.

(d) "Representative of the lawyer" means a person employed by the lawyer to assist the lawyer in rendering professional legal services.

(e) A communication is "confidential" if not intended to be disclosed to third persons other than those to whom disclosure is made in furtherance of the rendition of professional legal services to the client or those reasonably necessary for the transmission of the communication.

(2) General rule of privilege. A client has a privilege to refuse to disclose and to prevent any other person from disclosing a confidential communication made for the purpose of facilitating the rendition of professional legal services to the client:

(a) Between the client or a representative of the client and the client's lawyer or a representative of the lawyer;

(b) Between the lawyer and a representative of the lawyer;

(c) By the client or a representative of the client or the client's lawyer or a representative of the lawyer representing another party in a pending action and concerning a matter of common interest therein;

(d) Between representatives of the client or between the client and a representative of the client; or

(e) Among lawyers and their representatives representing the same client. [~~This rule is subject to the provisions of KRS 422A.0502 (KRE 502).~~]

(3) Who may claim the privilege. The privilege may be claimed by the client, the client's guardian or conservator, the personal representative of a deceased client, or the successor, trustee, or similar representative of a corporation, association, or other organization, whether or not in existence. The person who was the lawyer or the lawyer's representative at the time of the communication is presumed to have authority to claim the privilege but only on behalf of the client.

(4) Exceptions. There is no privilege under this rule:

(a) Furtherance of crime or fraud. If the services of the lawyer were sought or obtained to enable or aid anyone to commit or plan to commit what the client knew or reasonably should have known to be a crime or fraud;

(b) Claimants through same deceased client. As to a communication relevant to an issue between parties who claim through the same deceased client, regardless of whether the claims are by testate or intestate succession or by transaction inter vivos;

(c) Breach of duty by a lawyer or client. As to a communication relevant to an issue of breach of duty by a lawyer to the client or by a client to the lawyer;

(d) Document attested by a lawyer. As to a communication relevant to an issue concerning an attested document to which the lawyer is an attesting witness; and

(e) Joint clients. As to a communication relevant to a matter of common interest between or among two (2) or more clients if the communication was made by any of them to a lawyer retained or consulted in common, when offered in an action between or among any of the clients.

Section 9. KRS 422A.0504 is amended to read as follows:

(1) Spousal testimony. The spouse of a party has a privilege to refuse to testify against the party as to events occurring after the date of their marriage. A party has a privilege to prevent his or her spouse from testifying against the party as to events occurring after the date of their marriage.

(2) Marital communications. An individual has a privilege to refuse to testify and to prevent another from testifying to any confidential communication made by the individual to his or her spouse during their marriage. The privilege may be asserted only by the individual holding the privilege or by the holder's guardian, conservator, or personal representative. A communication is confidential if it is made privately by an individual to his or her spouse and is not intended for disclosure to any other person.

(3) Exceptions. There is no privilege under this rule:

(a) In any criminal proceeding in which sufficient evidence is introduced to support a finding that the spouses conspired or acted jointly in the commission of the crime charged;

(b) In any proceeding in which one (1) spouse is charged with wrongful conduct against the person or property of:

1. The other;

2. A minor child of either;

3. An individual residing in the household of either; or

4. A third person if the wrongful conduct is committed in the course of wrongful conduct against any of the individuals previously named in this sentence. The court may refuse to allow the privilege in any other proceeding if the interests of a minor child of either spouse may be adversely affected; or

(c) In any proceeding in which the spouses are adverse parties.

[~~(1) Spousal testimony in criminal proceedings. The spouse of an accused in a criminal proceeding has a privilege to refuse to testify against the accused spouse as to events occurring after the date of their marriage.~~

~~(2) Exceptions. There is no privilege under this rule:~~

~~(a) In any criminal proceeding in which sufficient evidence is introduced to support a finding that the spouses conspired or acted jointly in the commission of the crime charged; or~~

~~(b) In any proceeding in which one (1) spouse is charged with wrongful conduct against the person or property of:~~

~~1. The other;~~

~~2. A minor child of either;~~

~~3. An individual residing in the household of either; or~~

~~4. A third person if the wrongful conduct is committed in the course of wrongful conduct against any of the individuals previously named in this sentence. The court may refuse to allow the privilege in any other proceeding if the interests of a minor child of either spouse may be adversely affected.~~]

Section 10. KRS 422A.0505 is amended to read as follows:

(1) Definitions. As used in this rule:

(a) A "clergyman" is a minister, priest, rabbi, accredited Christian Science Practitioner, or other similar functionary of a religious organization, or an individual reasonably believed so to be by the person consulting him.

(b) A communication is "confidential" if made privately and not intended for further disclosure except to other persons present in furtherance of the purpose of the communication.

(2) General rule of privilege. A person has a privilege to refuse to disclose and to prevent another from disclosing a confidential communication between the person and a clergyman in his professional character as spiritual adviser. [~~This rule is subject to KRE 502.~~]

(3) Who may claim the privilege. The privilege may be claimed by the person, by his guardian or conservator, or by his personal representative if he is deceased. The person who was the clergyman at the time of the communication is presumed to have authority to claim the privilege but only on behalf of the communicant.

Section 11. KRS 422A.0506 is amended to read as follows:

(1) Definitions. As used in this rule:

(a) A "counselor" includes:

1. A certified school counselor who meets the requirements of the Kentucky Board of Education and who is duly appointed and regularly employed for the purpose of counseling in a public or private school of this state;

2. A clinical social worker, licensed by the state board of examiners of social work and holding a certificate of qualification for the independent practice of clinical social work;

3. A sexual assault counselor, who is a person engaged in a rape crisis center, as defined in KRS Chapter 421, who has undergone forty (40) hours of training and is under the control of a direct services supervisor of a rape crisis center, whose primary purpose is the rendering of advice, counseling or assistance to victims of sexual assault;

4. A drug abuse counselor, who is a person employed by a drug abuse and education center licensed by the Kentucky Cabinet for Human Resources pursuant to KRS Chapter 210; and

5. An alcohol abuse counselor, who is a person employed by a licensed hospital, or treatment facility licensed by the Kentucky Cabinet for Human Resources pursuant to KRS Chapter 222.

(b) A "client" is a person who consults or is interviewed by a counselor for the purpose of obtaining professional services from the counselor.

(c) A communication is "confidential" if not intended to be disclosed to third persons, except persons present to further the interest of the client in the consultation or interview, persons reasonably necessary for the transmission of the communication, or persons present during the communication at the direction of the counselor, including members of the client's family.

(2) General rule of privilege. A client has a privilege to refuse to disclose and to prevent any other person from disclosing confidential communications made for the purpose of counseling the client, between himself, his counselor, and persons present at the direction of the counselor, including members of the client's family. [~~This rule is subject to KRS 422A.0502 (KRE 502).~~]

(3) Who may claim the privilege. The privilege may be claimed by the client, his guardian or conservator, or the personal representative of a deceased client. The person who was the counselor (or that person's employer) may claim the privilege in the absence of the client, but only on behalf of the client.

(4) Exceptions. There is no privilege under this rule for any relevant communication:

(a) If the client is asserting his physical, mental or emotional condition as an element of a claim or defense; or, after the client's death, in any proceeding in which any party relies upon the condition as an element of a claim or defense.

(b) If the judge finds:

1. That the substance of the communication is relevant to an essential issue in the case;

2. That there are no available alternate means to obtain the substantial equivalent of the communication; and

3. That the need for the information outweighs the interest protected by the privilege. The court may receive evidence in camera to make findings under this rule.

Section 12. KRS 422A.0507 is amended to read as follows:

(1) Definitions. As used in this rule:

(a) A "patient" is a person who, for the purpose of securing diagnosis or treatment of his or her mental condition, consults a psychotherapist.

(b) A "psychotherapist" is:

1. A person licensed by the State of Kentucky, or by the laws of another state, to practice medicine, or reasonably believed by the patient to be licensed to practice medicine, while engaged in the diagnosis or treatment of a mental condition; or

2. A person licensed or certified by the state of Kentucky, or by the laws of another state, as a psychologist, or a person reasonably believed by the patient to be a licensed or certified psychologist.

(c) A communication is "confidential" if not intended to be disclosed to third persons other than those present to further the interest of the patient in the consultation, examination or interview, or persons reasonably necessary for the transmission of the communication, or persons who are present during the communication at the direction of the psychotherapist, including members of the patient's family.

(d) "Authorized representative" means a person empowered by the patient to assert the privilege granted by this rule and, until given permission by the patient to make disclosure, any person whose communications are made privileged by this rule.

(2) General rule of privilege. A patient, or his authorized representative, has a privilege to refuse to disclose and to prevent any other person from disclosing confidential communications, made for the purpose of diagnosis or treatment of his mental condition, between the patient, the patient's psychotherapist, or persons who are participating in the diagnosis or treatment under the direction of the psychotherapist, including members of the patient's family. [~~This rule is subject to KRS 422A.0502 (KRE 502).~~]

(3) Exceptions. There is no privilege under this rule for any relevant communications under this section:

(a) In proceedings to hospitalize the patient for mental illness, if the psychotherapist in the course of diagnosis or treatment has determined that the patient is in need of hospitalization;

(b) If a judge finds that a patient, after having been informed that the communications would not be privileged, has made communications to a psychotherapist in the course of an examination ordered by the court, provided that such communications shall be admissible only on issues involving the patient's mental condition; or

(c) If the patient is asserting his mental condition as an element of a claim or defense, or, after the patient's death, in any proceeding in which any party relies upon the condition as an element of a claim or defense.

Section 13. KRS 422A.0508 is amended to read as follows:

(1) General rule of privilege. The Commonwealth of Kentucky and its sister states and the United States have a privilege to refuse to disclose the identity of a person who has furnished information relating to or assisting in an investigation of a possible violation of a law to a law enforcement officer or member of a legislative committee or its staff conducting an investigation.

(2) Who may claim. The privilege may be claimed by an appropriate representative of the public entity to which the information was furnished.

(3) Exceptions:

(a) Voluntary disclosure; informer as a witness. No privilege exists under this rule if the identity of the informer or his interest in the subject matter of his communication has been disclosed by the holder of the privilege or by the informer's own action, or if the informer appears as a witness for the state. Disclosure within a law enforcement agency or legislative committee for a proper purpose does not waive the privilege.

(b) Testimony on relevant issue. If it appears that an informer may be able to give relevant testimony and the public entity invokes the privilege, the court shall give the public entity an opportunity to make an in camera showing in support of the claim of privilege. The showing will ordinarily be in the form of affidavits, but the court may direct that testimony be taken if it finds that the matter cannot be resolved satisfactorily upon affidavits. If the court finds that there is a reasonable probability that the informer can give relevant testimony, and the public entity elects not to disclose this identity, in criminal cases the court on motion of the defendant or on its own motion shall grant appropriate relief, which may include one (1) or more of the following:

1. Requiring the prosecuting attorney to comply;

2. Granting the defendant additional time or a continuance;

3. Relieving the defendant from making disclosures otherwise required of him;

4. Prohibiting the prosecuting attorney from introducing specified evidence; and

5. Dismissing charges.

(4) In civil cases, the court may make any order the interests of justice require ***if the informer has pertinent information***. Evidence presented to the court shall be sealed and preserved to be made available to the appellate court in the event of an appeal, and the contents shall not otherwise be revealed without consent of the informed public entity.

Section 14. KRS 422A.0608 is amended to read as follows:

(1) Opinion and reputation evidence of character. The credibility of a witness may be attacked or supported by evidence in the form of opinion or reputation, but subject to these limitations:

(a) The evidence may refer only to character for truthfulness or untruthfulness; and

(b) Evidence of truthful character is admissible only after the character of the witness for truthfulness has been attacked by opinion or reputation evidence***, by specific instances of conduct under subsection (2) of this rule, or by evidence of conviction of crime under KRS 422A.0609 (KRE 609)*** [~~or otherwise~~].

(2) Specific instances of conduct. Specific instances of the conduct of a witness, for the purpose of attacking or supporting the witness' credibility, other than conviction of crime as provided in KRS 422A.0609 (KRE 609), may not be proved by extrinsic evidence. They may, however, in the discretion of the court, if probative of truthfulness or untruthfulness, be inquired into on cross-examination of the witness:

(a) Concerning the witness' character for truthfulness or untruthfulness; or

(b) Concerning the character for truthfulness or untruthfulness of another witness as to which character the witness being cross-examined has testified. No specific instance of conduct of a witness may be the subject of inquiry under this provision unless the cross-examiner has a factual basis for the subject matter of his inquiry.

Section 15. KRS 422A.0609 is amended to read as follows:

(1) General rule. For the purpose of reflecting upon the credibility of a witness, evidence that the witness has been convicted of a crime shall be admitted if elicited from the witness or established by public record if denied by the witness, but only if:

(a) The crime was punishable by death or imprisonment for one (1) year or more under the law under which the witness was convicted, or the crime involved dishonesty or false statement, regardless of the punishment; and

(b) The court determines that the probative value of admitting this evidence on the issue of credibility outweighs its prejudicial effect on the opposing party.

The identity of the crime upon which conviction was based may not be disclosed upon cross-examination unless the witness has denied the existence of the conviction. However, a witness against whom a conviction is admitted under this provision may choose to disclose the identity of the crime upon which the conviction is based.

(2) Time limit. Evidence of a conviction under this rule is not admissible if a period of more than ten (10) years has elapsed since the date of the conviction unless the court determines that the probative value of the conviction substantially outweighs its prejudicial effect.

(3) Effect of pardon, annulment, or certificate of rehabilitation. Evidence of a conviction is not admissible under this rule if:

(a) The conviction has been the subject of a pardon, annulment, certificate of rehabilitation, or other equivalent procedure based on a finding of the rehabilitation of the person convicted, and that person has not been convicted of a subsequent crime which was punishable by death or imprisonment of one (1) year or more; or

(b) The conviction has been the subject of a pardon, annulment, or other equivalent procedure based on a finding of innocence.

[~~(4) Juvenile adjudications. Evidence of juvenile adjudications is generally not admissible under this rule. The court may, however, in a criminal case allow evidence of a juvenile adjudication of a witness other than the accused if conviction of the offense would be admissible to attack the credibility of an adult and the court is satisfied that admission in evidence is necessary for a fair determination of the issue of guilt or innocence.~~

~~(5) Pendency of appeal. The pendency of an appeal therefrom does not render evidence of a conviction inadmissible. Evidence of the pendency of an appeal is admissible.~~]

Section 16. KRS 422A.0613 is amended to read as follows:

(1) Examining witness concerning prior statement. ***Before other evidence can be offered of the witness having made at another time a different statement, he must be inquired of concerning it, with the circumstances of time, place, and persons present, as correctly as the examining party can present them; and, if it be in writing, it must be shown to the witness, with opportunity to explain it. The court may allow such evidence to be introduced when it is impossible to comply with this rule because of the absence at the trial or hearing of the witness sought to be contradicted, and when the court finds that the impeaching party has acted in good faith.*** [~~In examining a witness concerning a prior statement made by the witness, whether written or not, the statement need not be shown nor its contents disclosed to the witness at that time, but on request the same shall be shown or disclosed to opposing counsel.~~]

(2) Extrinsic evidence of prior inconsistent statement of witness. Extrinsic evidence of a prior inconsistent statement by a witness is not admissible unless the witness is afforded an opportunity to explain or deny the same and the opposite party is afforded an opportunity to interrogate the witness thereon, or the interests of justice otherwise require. This provision does not apply to admissions of a party-opponent as defined in KRS 422A.0801A (KRE 801-A).

Section 17. KRS 422A.0614 is amended to read as follows:

(1) Calling by court. The court may, on its own motion or at the suggestion of a party, call witnesses, and all parties are entitled to cross-examine witnesses thus called.

(2) Interrogation by court. The court may interrogate witnesses, whether called by itself or by a party.

(3) Interrogation by juror. A juror may be permitted to address questions to a witness by submitting them in writing to the judge who will decide at his discretion whether or not to submit the questions to the witness for answer.

(4) Objections. Objections to the calling of witnesses by the court, to interrogation by the court, or to interrogation by a juror may be made out of the hearing of the jury at the earliest available opportunity.

Section 18. KRS 422A.0705 is amended to read as follows:

[~~(1) General.~~] The expert may testify in terms of opinion or inference and give reasons therefor without prior disclosure of the underlying facts or data, unless the court requires otherwise. The expert may in any event be required to disclose the underlying facts or data on cross-examination.

[~~(2) Voir dire examination. Prior to the expert giving his opinion or inference, a party against whom the opinion or inference is offered may conduct outside the presence of the jury a voir dire examination of the witness directed to the underlying facts or data for the opinion or inference. If this examination produces evidence indicating that the expert lacks a sufficient basis for the opinion or inference, the trial judge shall exclude the expert's testimony unless the offering party establishes sufficient underlying facts or data for the opinion or inference.~~]

Section 19. KRS 422A.0706 is amended to read as follows:

(1) Appointment. The court may on its own motion or on the motion of any party enter an order to show cause why expert witnesses should not be appointed, and may require the parties to submit nominations. The court may appoint any expert witnesses agreed upon by the parties, and may appoint expert witnesses of its own selection. An expert witness shall not be appointed by the court unless the witness consents to act. A witness so appointed shall be informed of the witness, duties by the court in writing, a copy of which shall be filed with the clerk, or at a conference in which the parties shall have opportunity to participate. A witness so appointed shall advise the parties of the witness' findings, if any; the witness' deposition may be taken by any party; and the witness may be called to testify by the court or any party. The witness shall be subject to cross-examination by each party, including a party calling the witness.

(2) Compensation. Expert witnesses so appointed are entitled to reasonable compensation in whatever sum the court may allow. Except as otherwise provided by law, the compensation shall be paid by the parties in such proportions and at such time as the court directs, and thereafter charged in like manner as other costs.

[~~(3) Disclosure of appointment. In the exercise of its discretion, the court may authorize disclosure to the jury of the fact that the court appointed the expert witness.~~

~~(4) Parties' expert of own selection. Nothing in this rule limits the parties in calling expert witnesses of their own selection.~~]

Section 20. KRS 422A.0801A is amended to read as follows:

(1) Prior statements of witnesses. A statement is not excluded by the hearsay rule, even though the declarant is available as a witness, if the declarant testifies at the trial or hearing and is ***examined*** [~~subject to cross-examination~~] concerning the statement, ***with a foundation laid as required by KRS 422A.0613*** and the statement is:

(a) Inconsistent with the declarant's testimony[~~, and was given under oath subject to the penalty of perjury at a trial, hearing, or other proceeding, or in a deposition~~];

(b) Consistent with the declarant's testimony and is offered to rebut an express or implied charge against the declarant of recent fabrication or improper influence or motive; or

(c) One of identification of a person made after perceiving the person.

(2) Admissions of parties. A statement is not excluded by the hearsay rule, even though the declarant is available as a witness, if the statement is offered against a party and is:

(a) The party's own statement, in either an individual or a representative capacity;

(b) A statement of which the party has manifested an adoption or belief in its truth;

(c) A statement by a person authorized by the party to make a statement concerning the subject;

(d) A statement by the party's agent or servant concerning a matter within the scope of the agency or employment, made during the existence of the relationship; or

(e) A statement by a coconspirator of a party during the course and in furtherance of the conspiracy.

(3) Admission by privity:

(a) Wrongful death. A statement by the deceased is not excluded by the hearsay rule when offered as evidence against the plaintiff in an action for wrongful death of the deceased.

(b) Predecessors in interest. Even though the declarant is available as a witness, when a right, title or interest in any property or claim asserted by a party to a civil action requires a determination that a right, title, or interest existed in the declarant, evidence of a statement made by the declarant during the time the party now claims the declarant was the holder of the right, title, or interest is not excluded by the hearsay rule when offered against the party if the evidence would be admissible if offered against the declarant in an action involving that right, title, or interest.

(c) Predecessors in litigation. Even though the declarant is available as a witness, when the liability, obligation, or duty of a party to a civil action is based in whole or in part upon the liability, obligation or duty of the declarant, or when the claim or right asserted by a party to a civil action is barred or diminished by a breach of duty by the declarant, evidence of a statement made by the declarant is not excluded by the hearsay rule when offered against the party if the evidence would be admissible against the declarant in an action involving that liability, obligation, duty or breach of duty.

Section 21. KRS 422A.0802 is amended to read as follows:

Hearsay is not admissible except as provided by these rules or by [~~other~~] rules of the Supreme Court of Kentucky [~~or by Acts of the General Assembly~~].

Section 22. KRS 422A.0803 is amended to read as follows:

The following are not excluded by the hearsay rules, even though the declarant is available as a witness:

(1) Present sense impression. A statement describing or explaining an event or condition made while the declarant was perceiving the event or condition, or immediately thereafter.

(2) Excited Utterance. A statement relating to a startling event or condition made while the declarant was under the stress of excitement caused by the event or condition.

(3) Then existing mental, emotional, or physical condition. A statement of the declarant's then existing state of mind, emotion, sensation, or physical condition (such as intent, plan, motive, design, mental feeling, pain, and bodily health), but not including a statement of memory or belief to prove the fact remembered or believed unless it relates to the execution, revocation, identification, or terms of declarant's will.

(4) Statements for purposes of medical treatment or diagnosis [~~in connection with treatment~~]. Statements made for purposes of ***medical*** treatment or diagnosis [~~in connection with treatment~~] and describing medical history, or past or present symptoms, pain, or sensations, or the inception or general character of the cause or external source thereof insofar as reasonably pertinent to treatment or diagnosis [~~in connection with treatment~~].

(5) Recorded recollection. A memorandum or record concerning a matter about which a witness once had knowledge but now has insufficient recollection to enable the witness to testify fully and accurately, shown to have been made or adopted by the witness when the matter was fresh in the witness' memory and to reflect that knowledge correctly. If admitted, the memorandum or record may be read into evidence but may not be received as an exhibit unless offered by an adverse party.

(6) Records of regularly conducted activity. A memorandum, report, record, or data compilation, in any form, of acts, events, conditions, opinions, or diagnoses, made at or near the time by, or from information transmitted by, a person with knowledge, if kept in the course of a regularly conducted business activity, and if it was the regular practice of that business activity to make the memorandum, report, record, or data compilation, all as shown by the testimony of the custodian or other qualified witness, unless the source of information or the method or circumstances of preparation indicate lack of trustworthiness. The term "business" as used in this paragraph includes business, institution, association, profession, occupation, and calling of every kind, whether or not conducted for profit.

(a) Foundation exemptions. A custodian or other qualified witness, as required above, is unnecessary when the evidence offered under this provision consists of medical charts or records of a hospital that has elected to proceed under the provisions of KRS 422.300 to 422.330, business records which satisfy the requirements of KRS 422A.0902(11) (KRE 902(11)), or some other record which is subject to a statutory exemption from normal foundation requirements.

(b) Opinion [~~or diagnosis~~]. No evidence in the form of an opinion [~~or diagnosis~~] is admissible under this subsection unless such opinion [~~or diagnosis~~] would be admissible under Article VII of these rules if the person whose opinion or diagnosis is recorded were to testify to the opinion [~~or diagnosis~~] directly.

(7) Absence of entry in records kept in accordance with the provisions of subsection (6). Evidence that a matter is not included in the memoranda, reports, records, or data compilations, in any form, kept in accordance with the provisions of subsection (6), to prove the nonoccurrence or nonexistence of the matter, if the matter was of a kind of which a memorandum, report, record, or other data compilation was regularly made and preserved, unless the sources of information or other circumstances indicate lack of trustworthiness.

(8) Public records and reports. Unless the sources of information or other circumstances indicate lack of trustworthiness, records, reports, statements, or other data compilations in any form of a public office or agency setting forth its regularly conducted and regularly recorded activities, or matters observed pursuant to duty imposed by law and as to which there was a duty to report, or factual findings resulting from an investigation made pursuant to authority granted by law. The following are not within this exception to the hearsay rule:

(a) Investigative reports by police and other law enforcement personnel[~~, except when offered by an accused in a criminal case~~];

(b) Investigative reports prepared by or for a government, a public office, or an agency when offered by it in a case in which it is a party; and

(c) Factual findings offered by the government in criminal cases.

(9) Records of vital statistics. Records or data compilations, in any form, of births, fetal deaths, deaths, or marriages, if the report thereof was made to a public office pursuant to requirements or law.

(10) Absence of public record or entry. To prove the absence of a record, report, statement, or data compilation, in any form, or the nonoccurrence or nonexistence of a matter of which a record, report, statement, or data complication, in any form, was regularly made and preserved by a public office or agency, evidence in the form of a certification in accordance with KRS 422A.0902 (KRE 902), or testimony, that diligent search failed to disclose the record, report, statement, or data compilation, or entry.

(11) Records of religious organizations. Statements of births, marriages, divorces, deaths, legitimacy, ancestry, relationships by blood or marriage, or other similar facts of personal or family history, contained in a regularly kept record of a religious organization.

(12) Marriage, baptismal, and similar certificates. Statements of fact contained in a certificate that the maker performed a marriage or other ceremony or administered a sacrament, made by a clergyman, public official, or other person authorized by the rules or practices or a religious organization or by law to perform the act certified, and purporting to have been issued at the time of the act or within a reasonable time thereafter.

(13) Family records. Statements of births, marriages, divorces, deaths, legitimacy, ancestry, relationship by blood or marriage, or other similar facts of personal or family history contained in family Bibles, genealogies, charts, engravings on rings, inscriptions on family portraits, engravings on urns, crypts, or tombstones, or the like.

(14) Records of documents affecting an interest in property. The record of a document purporting to establish or affect an interest in property, as proof of the content of the original recorded document and its execution and delivery by each person by whom it purports to have been executed, if the record is a record of a public office and an applicable statute authorizes the recording of documents of that kind in that office.

(15) Statements in documents affecting an interest in property. A statement contained in a document purporting to establish or affect an interest in property if the matter stated was relevant to the purpose of the document, unless dealings with the property since the document was made have been inconsistent with the truth of the statement or the purport of the document.

(16) Statements in ancient documents. Statements in a document in existence twenty (20) years or more the authenticity of which is established.

(17) Market reports, commercial publications. Market quotations, tabulations, lists, directories, or other published compilations, generally used and relied upon by the public or by persons in particular occupations.

(18) Learned treatises. To the extent called to the attention of an expert witness upon cross-examination or relied upon by the expert witness in direct examination, statements contained in or pamphlets on a subject of history, medicine, or other science or art, established as a reliable authority by the testimony or admission of the witness or by other expert testimony or by judicial notice. If admitted, the statements may be read into evidence but may not be received as exhibits.

(19) Reputation concerning personal or family history. Reputation among members of a person's family by blood, adoption, or marriage, or among a person's associates, or in the community, concerning a person's birth, adoption, marriage, divorce, death, legitimacy, relationship by blood, adoption, or marriage, ancestry, or other similar fact of his personal or family history.

(20) Reputation concerning boundaries or general history. Reputation in a community, arising before the controversy, as to boundaries of or customs affecting lands in the community, and reputation as to events of general history important to the community or state or nation in which located.

(21) Reputation as to character. Reputation of a person's character among associates or in the community.

(22) Judgment of previous conviction. Evidence of a final judgment, entered after a trial or upon a plea of guilty (but not upon a plea of nolo contendere), adjudging a person guilty of a crime punishable by death or imprisonment under the law defining the crime, to prove any fact essential to sustain the judgment, but not including, when offered by the prosecution in a criminal case for purposes other than impeachment, judgments against persons other than the accused. [~~The pendency of an appeal may be shown but does not affect admissibility.~~]

(23) Judgment as to personal, family, or general history, or boundaries. Judgments as proof of matters of personal, family, or general history, or boundaries, essential to the judgment, if the same would be provable by evidence of reputation.

Section 23. KRS 422A.0804 is amended to read as follows:

(1) Definition of unavailability. "Unavailability as a witness" includes situations in which the declarant:

(a) Is exempted by ruling of the court on the ground of privilege from testifying concerning the subject matter of the declarant's statement;

(b) Persists in refusing to testify concerning the subject matter of the declarant's statement despite an order of the court to do so;

(c) Testifies to a lack of memory of the subject matter of the declarant's statement;

(d) Is unable to be present or to testify at the hearing because of death or then existing physical or mental illness or infirmity; or

(e) Is absent from the hearing and the proponent of ***the*** [~~his~~] statement has been unable to procure the declarant's attendance by process or other reasonable means.

A declarant is not unavailable as a witness if his exemption, refusal, claim of lack of memory, inability, or absence is due to the procurement or wrongdoing of the proponent of a statement for the purpose of preventing the witness from attending or testifying.

(2) Hearsay exceptions. The following are not excluded by the hearsay rule if the declarant is unavailable as a witness:

(a) Former testimony. Testimony given as a witness at another hearing of the same or a different proceeding, or in a deposition taken in compliance with law in the course of the same or another proceeding, if the party against whom the testimony is now offered, or, in a civil action or proceeding, a predecessor in interest, had an opportunity and similar motive to develop the testimony by direct, cross, or redirect examination.

(b) Statement under belief of impending death. In a criminal prosecution or in a civil action or proceeding, a statement made by a declarant while believing that the declarant's death was imminent, concerning the cause or circumstances of what the declarant believed to be his impending death.

(c) Statement against interest. A statement which was at the time of its making so far contrary to the declarant's pecuniary or proprietary interest, or so far tended to subject the declarant to civil or criminal liability, or to render invalid a claim by the declarant against another, that a reasonable person in the declarant's position would not have made the statement unless believing it to be true. A statement tending to expose the declarant to criminal liability is not admissible unless corroborating circumstances clearly indicate the trustworthiness of the statement.

(d) Statements of personal or family history.

1. A statement concerning the declarant's own birth, adoption, marriage, divorce, legitimacy, relationship by blood, adoption, or marriage, ancestry, or other similar fact of personal or family history, even though declarant had no means of acquiring personal knowledge of the matter stated; or

2. A statement concerning the foregoing matters, and death also, of another person, if the declarant was related to the other by blood, adoption or marriage or was so intimately associated with the other's family as to be likely to have accurate information concerning the matter declared.

[~~(e) Residual exception. A statement not specifically covered by any of the foregoing exceptions or any of the exceptions contained in KRS 422A.0803 (KRE 803) but having equivalent circumstantial guarantees of trustworthiness, if the court determines that:~~

~~1. The statement is offered as evidence of a material fact;~~

~~2. The statement is more probative on the point for which it is offered than any other evidence which the proponent can procure through reasonable efforts; and~~

~~3. The general purposes of these rules and the interests of justice will best be served by admission of the statement into evidence. However, a statement may not be admitted under this exception unless the proponent of it makes known to the adverse party sufficiently in advance of the trial or hearing to provide the adverse party with a fair opportunity to prepare to meet it, the proponent's intention to offer the statement and the particulars of it, including the name and address of the declarant.~~]

Section 24. KRS 422A.0902 is amended to read as follows:

Extrinsic evidence of authenticity as a condition precedent to admissibility is not required with respect to the following:

(1) Domestic public documents under seal. A document bearing a seal purporting to be that of the United States, or of any state, district, Commonwealth, territory or insular possession thereof, or the Panama Canal Zone, or the Trust Territory of the Pacific Islands, or of a political subdivision, department, officer, or agency thereof, and a signature purporting to be an attestation or execution.

(2) Domestic public documents not under seal. A document purporting to bear the signature in the official capacity of an officer or employee of any entity included in subsection (1) of this section, having no seal, if a public officer having a seal and having official duties in the district or political subdivision of the officer or employee certifies under seal that the signer has the official capacity and that the signature is genuine.

(3) Foreign public documents. A document purporting to be executed, or attested in an official capacity by a person authorized by the laws of a foreign country to make the execution or attestation, and accompanied by a final certification as to the genuineness of the signature of official position:

(a) Of the executing or attesting person; or

(b) Of any foreign official whose certificate of genuineness of signature and official position relates to the execution or attestation.

A final certification may be made by a secretary of embassy or legation, consul general, consul, vice consul, or consular agent of the United States, or a diplomatic or consular official of the foreign country assigned or accredited to the United States, If reasonable opportunity has been given to all parties to investigate the authenticity and accuracy of official documents, the court may, for good cause shown, order that they be treated as presumptively authentic without final certification or permit them to be evidenced by an attested summary with or without final certification.

(4) Official records. An official record or an entry therein, when admissible for any purpose, may be evidenced by an official publication thereof or by a copy attested by an official having the legal custody of the record. If the office in which the record is kept is outside the Commonwealth of Kentucky, the attested copy shall be accompanied by a certificate that the official attesting to the accuracy of the copy has the authority to do so. The certificate accompanying domestic records (those from offices within the territorial jurisdiction of the United States) may be made by a judge of a court of record of the district or political subdivision in which the record is kept, authenticated by the seal of the court, or may be made by any public officer having a seal of office and having official duties in the district or political subdivision in which the record is kept, authenticated by the seal of office. The certificate accompanying foreign records (those from offices outside the territorial jurisdiction of the United States) may be made by a secretary of embassy or legation, consul general, consul, vice consul, or consular agent or by any officer in the foreign service of the United States stationed in the foreign state or country in which the record is kept, and authenticated by the seal of office. A written statement prepared by an official having the custody of a record that after diligent search no record or entry of a specified tenor is found to exist in the records of the office, complying with the requirements set out above, is admissible as evidence that the records of the office contain no such record of entry.

(5) Official publications. Books, pamphlets, or other publications purporting to be issued by public authority.

(6) Books, newspapers and periodicals. Printed materials purporting to be books, newspapers or periodicals.

(7) Trade inscriptions and the like. Inscriptions, signs, tags or labels purporting to have been affixed in the course of business and indicating ownership, control or origin.

(8) Acknowledged documents. Documents accompanied by a certificate of acknowledgement executed in the manner provided by law before a notary public or other officer authorized by law to take acknowledgements.

(9) Commercial paper and related documents. Commercial paper, signatures thereon, and documents relating thereto to the extent provided by the general commercial law.

(10) Documents which self-authenticate by the provisions of statutes or other rules of evidence. Any signature, document, or other matter which is declared to be presumptively genuine by Act of Congress or the General Assembly of Kentucky or by rule of the Supreme Court of Kentucky.

(11) Business records. (a) Unless the sources of information or other circumstances indicate lack of trustworthiness, the original or a duplicate of a record of regularly conducted activity within the scope of KRS 422A.0803(6) (KRE 803(6)) or 422A.0803(7) (KRE 803(7)), which the custodian thereof certifies:

1. Was made, at or near the time of the occurrence of the matters set forth, by (or from information transmitted by) a person with knowledge of those matters;

2. Is kept in the ***course*** [~~court~~] of the regularly conducted activity; and

3. Was made by the regularly conducted activity as a regular practice.

(b) A record so certified is not self-authenticating under this subsection unless the proponent makes an intention to offer it known to the adverse party and makes it available for inspection sufficiently in advance of its offer in evidence to provide the adverse party with a fair opportunity to challenge it.

(c) As used in this subsection, "certifies" means, with respect to a domestic record, a written declaration under oath subject to the penalty of perjury, and, with respect to a foreign record, a written declaration which, if falsely made, would subject the maker to criminal penalty under the laws of that country. The certificate relating to a foreign record must be accompanied by a final certification as to the genuineness of the signature and official position:

1. Of the individual executing the certificate; or

2. Of any foreign official who certifies the genuineness of signature and official position of the executing individual or is the last in a chain of certificates that collectively certify the genuineness of signature and official position of the executing individual.

A final certification must be made by a secretary of embassy or legation, consul general, consul, vice consul, or consular agent or by an officer in the foreign service of the United States stationed in the foreign state or country in which the record is kept, and authenticated by the seal of office.

Section 25. KRS 422A.1004 is amended to read as follows:

The original is not required, and other evidence of the contents of a writing, recording, or photograph is admissible if:

(1) Originals lost or destroyed. All originals are lost or have been destroyed, unless the proponent lost or destroyed them in bad faith;

(2) Original not obtainable. No original can be obtained by any available judicial process or procedure; ***or***

(3) Original in possession of opponent. At a time when an original was under the control of the party against whom offered, that party was put on notice, by the pleadings or otherwise, that the contents would be a subject of proof at the hearing, and that party does not produce the original at the hearing[~~; or~~

~~(4) Collateral matters. The writing, recording, or photograph is not closely related to a controlling issue~~].

Section 26. KRS 422A.1102 is amended to read as follows:

(1) Supreme Court. The Supreme Court of Kentucky shall have the power to prescribe amendments or additions to the Kentucky Rules of Evidence. [~~Such~~] Amendments or additions shall not take effect until they have been reported to the Kentucky General Assembly by the Chief Justice of the Supreme Court at or after the beginning of a regular session of the General Assembly but not later than the first day of March, and until the adjournment of that regular session of the General Assembly; but if the General Assembly within that time shall by resolution disapprove any amendment or addition so reported it shall not take effect. The effective date of any amendment or addition so reported may be deferred by the General Assembly to a later date or until approved by the General Assembly. ***However, the General Assembly may not disapprove any amendment or addition or defer the effective date of any amendment or addition that constitutes rules of practice and procedure under Section 116 of the Kentucky Constitution.***

(2) General Assembly. The General Assembly may amend any proposal reported by the Supreme Court pursuant to subsection (1) of this section and may adopt amendments or additions to the Kentucky Rules of Evidence not reported to the General Assembly by the Supreme Court. ***However,*** the General Assembly may not ***amend any proposals reported by the Supreme Court and may not*** adopt amendments or additions ***to the Kentucky Rules of Evidence*** that constitute rules of practice and procedure under Section 116 of the Constitution of Kentucky.

(3) Review of proposals for change. Neither the Supreme Court nor the General Assembly should undertake to amend or add to the Kentucky Rules of Evidence without first obtaining a review of proposed amendments or additions from the Evidence Rules Review Commission described in KRS 422A.1103 (KRE 1103).

Section 27. KRS 422A.1103 is amended to read as follows:

(1) The Chief Justice of the Supreme Court ***or a designated justice*** shall serve as chairman of a permanent Evidence Rules Review Commission which shall consist of the Chief Justice ***or a designated justice***, one (1) additional member of the judiciary appointed by the Chief Justice, the chairman of the Senate Judiciary Committee, the chairman of the House Judiciary Committee, and five (5) members of the Kentucky bar appointed to four (4) year terms by the ***Chief Justice*** [~~President of the Kentucky Bar Association~~].

(2) The Evidence Rules Review Commission shall meet at the call of the Chief Justice ***or a designated justice*** for the purpose of reviewing proposals for amendment or addition to the Kentucky Rules of Evidence, as requested by the Supreme Court or General Assembly pursuant to KRS 422A.1102 (KRE 1102). The Commission shall act promptly to assist the Supreme Court or General Assembly and shall perform its review function in furtherance of the ideals and objectives described in KRS 422A.0102 (KRE 102).

Section 28. KRS 422A.1104 is amended to read as follows:

The commentary accompanying the Kentucky Rules of Evidence may be used as an aid in construing the provisions of the Rules***, but shall not be binding upon the Court of Justice***.

Section 29. The following KRS sections are repealed:

421.210 Person not to testify in his own behalf — Exceptions.

422A.0406 (KRE 406) (EFFECTIVE JULY 1, 1992, IF ADOPTED BY THE KENTUCKY SUPREME COURT) Habit — Routine practice.

422A.0502 (KRE 502) (EFFECTIVE JULY 1, 1992, IF ADOPTED BY THE KENTUCKY SUPREME COURT) Involuntary disclosure of confidential communications.

422A.0704 (KRE 704) (EFFECTIVE JULY 1, 1992, IF ADOPTED BY THE KENTUCKY SUPREME COURT) Opinion on ultimate issue.

Section 30. The repeal of KRS 447.030, "Acts and compilations of former laws, evidence," contained in 1990 Kentucky Acts Chapter 88, Section 92, is hereby repealed.

Section 31. The amendments contained in Sections 1 to 28 of this Act to statutes enacted in 1990 Kentucky Acts Chapter 88 shall not change the effective date of those statutes.

Section 32. Whereas the Kentucky Rules of Evidence enacted at 1990 Kentucky Acts Chapter 88 were enacted with an effective date of July 1, 1992, contingent upon adoption by the Supreme Court of Kentucky, and this date occurs prior to the normal effective date of legislation enacted by this 1992 Regular Session of the General Assembly, and this Act contains amendments to those Rules, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

The Committee Substitute to **HB 241** is as follows:

HB 241, AN ACT relating to the Kentucky Rules of Evidence and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 422A.0103 is amended to read as follows:

(1) Effect of erroneous ruling. Error may not be predicated upon a ruling which admits or excludes evidence unless a substantial right of the party is affected; and

(a) Objection. In case the ruling is one admitting evidence, a timely objection or motion to strike appears of record, ***and upon request of the court*** stating the specific ground of objection, if the specific ground was not apparent from the context; or

(b) Offer of proof. In case the ruling is one excluding evidence, ***upon request of the examining attorney, the witness may make a specific offer of his answer to the question*** [~~the substance of the evidence was made known to the court by offer or was apparent from the context within which questions were asked~~].

(2) Record of offer and ruling. The court may add any other or further statement which shows the character of the evidence, the form in which it was offered, the objection made, and the ruling thereon. It may direct the making of an offer in question and answer form.

(3) Hearing of jury. In jury cases, proceedings shall be conducted, to the extent practicable, so as to prevent inadmissible evidence from being suggested to the jury by any means, such as making statements or offers of proof or asking questions in the hearing of the jury.

(4) Motions in limine. A party may move the court for a ruling in advance of trial on the admission or exclusion of evidence. The court may rule on such a motion in advance of trial or may defer a decision on admissibility until the evidence is offered at trial. A motion in limine resolved by order of record is sufficient to preserve error for appellate review. Nothing in this rule precludes the court from reconsidering at trial any ruling made on a motion in limine.

(5) Palpable error. A palpable error in applying the Kentucky Rules of Evidence which affects the substantial rights of a party may be considered by a trial court on motion for a new trial or by an appellate court on appeal, even though insufficiently raised or preserved for review, and appropriate relief may be granted upon a determination that manifest injustice has resulted from the error.

Section 2. KRS 422A.0104 is amended to read as follows:

(1) Questions of admissibility generally. Preliminary questions concerning the qualification of a person to be a witness, the existence of a privilege, or the admissibility of evidence shall be determined by the court, subject to the provisions of subsection (2) of this rule. In making its determination it is not bound by the rules of evidence except those with respect to privileges.

(2) Relevancy conditioned on fact. When the relevancy of evidence depends upon the fulfillment of a condition of fact, the court shall admit it upon, or subject to, the introduction of evidence sufficient to support a finding of the fulfillment of the condition.

(3) Hearing of jury. Hearings on the admissibility of confessions or the fruits of searches conducted under color of law shall in all cases be conducted out of the hearing of the jury. Hearings on other preliminary matters shall be so conducted when the interests of justice require, or when an accused is a witness and so requests.

(4) Testimony by accused. The accused does not, by testifying upon a preliminary matter, become subject to cross-examination as to other issues in the case.

(5) Weight and credibility. This rule does not limit the right of a party to introduce before the jury evidence relevant to weight or credibility***, including evidence of bias, interest, or prejudice***.

Section 3. KRS 422A.0403 is amended to read as follows:

Although relevant, evidence may be excluded if its probative value is substantially outweighed by the danger of ***undue*** [~~unfair~~] prejudice, confusion of the issues, or misleading the jury, or by considerations of undue delay, [~~waste of time,~~] or needless presentation of cumulative evidence.

Section 4. KRS 422A.0404 is amended to read as follows:

(1) Character evidence generally. Evidence of a ***person's*** [~~persons~~] character or a trait of character is not admissible for the purpose of proving action in conformity therewith on a particular occasion, except:

(a) Character of accused. Evidence of a pertinent trait of character or of general moral character offered by an accused, or by the prosecution to rebut the same;

(b) Character of victim generally. Evidence of a pertinent trait of character of the victim of the crime offered by an accused, other than in a prosecution for criminal sexual conduct, or by the prosecution to rebut the same, or evidence of a character trait of peacefulness of the victim offered by the prosecution in a homicide case to rebut evidence that the victim was the first aggressor;

(c) Character of witnesses. Evidence of the character of witnesses, as provided in KRS 422A.0607 (KRE 607), 422A.0608 (KRE 608), and 422A.0609 (KRE 609).

(2) Other crimes, wrongs, or acts. Evidence of other crimes, wrongs, or acts is not admissible to prove the character of a person in order to show action in conformity therewith. It may, however, be admissible:

(a) If offered for some other purpose, such as proof of motive, opportunity, intent, preparation, plan, knowledge, identity, or absence of mistake or accident; or

(b) If so inextricably intertwined with other evidence essential to the case that separation of the two (2) could not be accomplished without serious adverse effect on the offering party.

(3) Notice requirement. In a criminal case, if the prosecution intends to introduce evidence pursuant to subsection (2) of this rule as a part of its case in chief, it shall give reasonable pre-trial notice to the defendant of its intention to offer such evidence. Upon failure of the prosecution to give such notice the court may exclude the evidence offered under subsection (2) or for good cause shown may excuse the failure to give such notice and grant the defendant a continuance or such other remedy as is necessary to avoid unfair prejudice caused by such failure.

Section 5. KRS 422A.0405 is amended to read as follows:

(1) Reputation or opinion. In all cases in which evidence of character or a trait of character of a person is admissible, proof may be made by testimony as to general reputation in the community or by testimony in the form of [~~personal~~] opinion.

(2) Inquiry on cross-examination. On cross examination of a character witness, it is proper to inquire if the witness has heard of or knows about relevant specific instances of conduct. However, no specific instance of conduct may be the subject of inquiry under this provision unless the cross-examiner has a factual basis for the subject matter of the inquiry.

(3) Specific instances of conduct. In cases in which character or a trait of character of a person is an essential element of a charge, claim, or defense, proof may also be made of specific instances of that person's conduct.

Section 6. KRS 422A.0407 is amended to read as follows:

When, after an event, measures are taken which, if taken previously, would have made an injury or harm allegedly caused by the event less likely to occur, evidence of the subsequent measures is not admissible to prove negligence [~~or culpable conduct~~] in connection with the event. This rule does not require the exclusion of evidence of subsequent measures ***in products liability cases or*** when offered for another purpose, such as proving ownership, control, or feasibility of precautionary measures, if controverted, or impeachment.

Section 7. KRS 422A.0410 is amended to read as follows:

Except as otherwise provided in this rule, evidence of the following is not, in any civil or criminal proceeding, admissible against the defendant who made the plea or was a participant in the plea discussions:

(1) A plea of guilty which was later withdrawn;

(2) A plea of nolo contendere ***in a jurisdiction accepting such pleas, and a plea under Alford v. North Carolina, 394 U.S. 956 (1969)***;

(3) Any statement made in the course of formal plea proceedings, under either state procedures or Rule 11 of the Federal Rules of Criminal Procedure, regarding either of the foregoing pleas; or

(4) Any statement made in the course of plea discussions with an attorney for the prosecuting authority which do not result in a plea of guilty or which result in a plea of guilty later withdrawn. However, such a statement is admissible:

(a) In any proceeding wherein another statement made in the course of the same plea or plea discussions has been introduced and the statement ought in fairness be considered contemporaneously with it; or

(b) In a criminal proceeding for perjury or false statement if the statement was made by the defendant under oath, on the record and in the presence of counsel.

Section 8. KRS 422A.0503 is amended to read as follows:

(1) Definitions. As used in this rule:

(a) "Client" means a person, including a public officer, corporation, association, or other organization or entity, either public or private, who is rendered professional legal services by a lawyer, or who consults a lawyer with a view to obtaining professional legal services from the lawyer.

(b) "Representative of the client" means:

1. A person having authority to obtain professional legal services, or to act on advice thereby rendered on behalf of the client; or

2. Any employee or representative of the client who makes or receives a confidential communication:

(i) In the course and scope of his or her employment;

(ii) Concerning the subject matter of his or her employment; and

(iii) To effectuate legal representation for the client.

(c) "Lawyer" means a person authorized, or reasonably believed by the client to be authorized to engage in the practice of law in any state or nation.

(d) "Representative of the lawyer" means a person employed by the lawyer to assist the lawyer in rendering professional legal services.

(e) A communication is "confidential" if not intended to be disclosed to third persons other than those to whom disclosure is made in furtherance of the rendition of professional legal services to the client or those reasonably necessary for the transmission of the communication.

(2) General rule of privilege. A client has a privilege to refuse to disclose and to prevent any other person from disclosing a confidential communication made for the purpose of facilitating the rendition of professional legal services to the client:

(a) Between the client or a representative of the client and the client's lawyer or a representative of the lawyer;

(b) Between the lawyer and a representative of the lawyer;

(c) By the client or a representative of the client or the client's lawyer or a representative of the lawyer representing another party in a pending action and concerning a matter of common interest therein;

(d) Between representatives of the client or between the client and a representative of the client; or

(e) Among lawyers and their representatives representing the same client. [~~This rule is subject to the provisions of KRS 422A.0502 (KRE 502).~~]

(3) Who may claim the privilege. The privilege may be claimed by the client, the client's guardian or conservator, the personal representative of a deceased client, or the successor, trustee, or similar representative of a corporation, association, or other organization, whether or not in existence. The person who was the lawyer or the lawyer's representative at the time of the communication is presumed to have authority to claim the privilege but only on behalf of the client.

(4) Exceptions. There is no privilege under this rule:

(a) Furtherance of crime or fraud. If the services of the lawyer were sought or obtained to enable or aid anyone to commit or plan to commit what the client knew or reasonably should have known to be a crime or fraud;

(b) Claimants through same deceased client. As to a communication relevant to an issue between parties who claim through the same deceased client, regardless of whether the claims are by testate or intestate succession or by transaction inter vivos;

(c) Breach of duty by a lawyer or client. As to a communication relevant to an issue of breach of duty by a lawyer to the client or by a client to the lawyer;

(d) Document attested by a lawyer. As to a communication relevant to an issue concerning an attested document to which the lawyer is an attesting witness; and

(e) Joint clients. As to a communication relevant to a matter of common interest between or among two (2) or more clients if the communication was made by any of them to a lawyer retained or consulted in common, when offered in an action between or among any of the clients.

Section 9. KRS 422A.0504 is amended to read as follows:

(1) Spousal testimony. The spouse of a party has a privilege to refuse to testify against the party as to events occurring after the date of their marriage. A party has a privilege to prevent his or her spouse from testifying against the party as to events occurring after the date of their marriage.

(2) Marital communications. An individual has a privilege to refuse to testify and to prevent another from testifying to any confidential communication made by the individual to his or her spouse during their marriage. The privilege may be asserted only by the individual holding the privilege or by the holder's guardian, conservator, or personal representative. A communication is confidential if it is made privately by an individual to his or her spouse and is not intended for disclosure to any other person.

(3) Exceptions. There is no privilege under this rule:

(a) In any criminal proceeding in which sufficient evidence is introduced to support a finding that the spouses conspired or acted jointly in the commission of the crime charged;

(b) In any proceeding in which one (1) spouse is charged with wrongful conduct against the person or property of:

1. The other;

2. A minor child of either;

3. An individual residing in the household of either; or

4. A third person if the wrongful conduct is committed in the course of wrongful conduct against any of the individuals previously named in this sentence. The court may refuse to allow the privilege in any other proceeding if the interests of a minor child of either spouse may be adversely affected; or

(c) In any proceeding in which the spouses are adverse parties.

[~~(1) Spousal testimony in criminal proceedings. The spouse of an accused in a criminal proceeding has a privilege to refuse to testify against the accused spouse as to events occurring after the date of their marriage.~~

~~(2) Exceptions. There is no privilege under this rule:~~

~~(a) In any criminal proceeding in which sufficient evidence is introduced to support a finding that the spouses conspired or acted jointly in the commission of the crime charged; or~~

~~(b) In any proceeding in which one (1) spouse is charged with wrongful conduct against the person or property of:~~

~~1. The other;~~

~~2. A minor child of either;~~

~~3. An individual residing in the household of either; or~~

~~4. A third person if the wrongful conduct is committed in the course of wrongful conduct against any of the individuals previously named in this sentence. The court may refuse to allow the privilege in any other proceeding if the interests of a minor child of either spouse may be adversely affected.~~]

Section 10. KRS 422A.0505 is amended to read as follows:

(1) Definitions. As used in this rule:

(a) A "clergyman" is a minister, priest, rabbi, accredited Christian Science Practitioner, or other similar functionary of a religious organization, or an individual reasonably believed so to be by the person consulting him.

(b) A communication is "confidential" if made privately and not intended for further disclosure except to other persons present in furtherance of the purpose of the communication.

(2) General rule of privilege. A person has a privilege to refuse to disclose and to prevent another from disclosing a confidential communication between the person and a clergyman in his professional character as spiritual adviser. [~~This rule is subject to KRE 502.~~]

(3) Who may claim the privilege. The privilege may be claimed by the person, by his guardian or conservator, or by his personal representative if he is deceased. The person who was the clergyman at the time of the communication is presumed to have authority to claim the privilege but only on behalf of the communicant.

Section 11. KRS 422A.0506 is amended to read as follows:

(1) Definitions. As used in this rule:

(a) A "counselor" includes:

1. A certified school counselor who meets the requirements of the Kentucky Board of Education and who is duly appointed and regularly employed for the purpose of counseling in a public or private school of this state;

2. [~~A clinical social worker, licensed by the state board of examiners of social work and holding a certificate of qualification for the independent practice of clinical social work;~~

~~3.~~] A sexual assault counselor, who is a person engaged in a rape crisis center, as defined in KRS Chapter 421, who has undergone forty (40) hours of training and is under the control of a direct services supervisor of a rape crisis center, whose primary purpose is the rendering of advice, counseling or assistance to victims of sexual assault;

3.[~~4.~~] A drug abuse counselor, who is a person employed by a drug abuse and education center licensed by the Kentucky Cabinet for Human Resources pursuant to KRS Chapter 210; and

4.[~~5.~~] An alcohol abuse counselor, who is a person employed by a licensed hospital, or treatment facility licensed by the Kentucky Cabinet for Human Resources pursuant to KRS Chapter 222.

(b) A "client" is a person who consults or is interviewed by a counselor for the purpose of obtaining professional services from the counselor.

(c) A communication is "confidential" if not intended to be disclosed to third persons, except persons present to further the interest of the client in the consultation or interview, persons reasonably necessary for the transmission of the communication, or persons present during the communication at the direction of the counselor, including members of the client's family.

(2) General rule of privilege. A client has a privilege to refuse to disclose and to prevent any other person from disclosing confidential communications made for the purpose of counseling the client, between himself, his counselor, and persons present at the direction of the counselor, including members of the client's family. [~~This rule is subject to KRS 422A.0502 (KRE 502).~~]

(3) Who may claim the privilege. The privilege may be claimed by the client, his guardian or conservator, or the personal representative of a deceased client. The person who was the counselor (or that person's employer) may claim the privilege in the absence of the client, but only on behalf of the client.

(4) Exceptions. There is no privilege under this rule for any relevant communication:

(a) If the client is asserting his physical, mental or emotional condition as an element of a claim or defense; or, after the client's death, in any proceeding in which any party relies upon the condition as an element of a claim or defense.

(b) If the judge finds:

1. That the substance of the communication is relevant to an essential issue in the case;

2. That there are no available alternate means to obtain the substantial equivalent of the communication; and

3. That the need for the information outweighs the interest protected by the privilege. The court may receive evidence in camera to make findings under this rule.

Section 12. KRS 422A.0507 is amended to read as follows:

(1) Definitions. As used in this rule:

(a) A "patient" is a person who, for the purpose of securing diagnosis or treatment of his or her mental condition, consults a psychotherapist.

(b) A "psychotherapist" is:

1. A person licensed by the state of Kentucky, or by the laws of another state, to practice medicine, or reasonably believed by the patient to be licensed to practice medicine, while engaged in the diagnosis or treatment of a mental condition; [~~or~~]

2. A person licensed or certified by the state of Kentucky, or by the laws of another state, as a psychologist, or a person reasonably believed by the patient to be a licensed or certified psychologist***; or***

3. A clinical social worker, licensed by the State Board of Examiners of Social Work and holding a certificate of qualification for the independent practice of clinical social work.

(c) A communication is "confidential" if not intended to be disclosed to third persons other than those present to further the interest of the patient in the consultation, examination or interview, or persons reasonably necessary for the transmission of the communication, or persons who are present during the communication at the direction of the psychotherapist, including members of the patient's family.

(d) "Authorized representative" means a person empowered by the patient to assert the privilege granted by this rule and, until given permission by the patient to make disclosure, any person whose communications are made privileged by this rule.

(2) General rule of privilege. A patient, or his authorized representative, has a privilege to refuse to disclose and to prevent any other person from disclosing confidential communications, made for the purpose of diagnosis or treatment of his mental condition, between the patient, the patient's psychotherapist, or persons who are participating in the diagnosis or treatment under the direction of the psychotherapist, including members of the patient's family. [~~This rule is subject to KRS 422A.0502 (KRE 502).~~]

(3) Exceptions. There is no privilege under this rule for any relevant communications under this section:

(a) In proceedings to hospitalize the patient for mental illness, if the psychotherapist in the course of diagnosis or treatment has determined that the patient is in need of hospitalization;

(b) If a judge finds that a patient, after having been informed that the communications would not be privileged, has made communications to a psychotherapist in the course of an examination ordered by the court, provided that such communications shall be admissible only on issues involving the patient's mental condition; or

(c) If the patient is asserting his mental condition as an element of a claim or defense, or, after the patient's death, in any proceeding in which any party relies upon the condition as an element of a claim or defense.

Section 13. KRS 422A.0508 is amended to read as follows:

(1) General rule of privilege. The Commonwealth of Kentucky and its sister states and the United States have a privilege to refuse to disclose the identity of a person who has furnished information relating to or assisting in an investigation of a possible violation of a law to a law enforcement officer or member of a legislative committee or its staff conducting an investigation.

(2) Who may claim. The privilege may be claimed by an appropriate representative of the public entity to which the information was furnished.

(3) Exceptions:

(a) Voluntary disclosure; informer as a witness. No privilege exists under this rule if the identity of the informer or his interest in the subject matter of his communication has been disclosed by the holder of the privilege or by the informer's own action, or if the informer appears as a witness for the state. Disclosure within a law enforcement agency or legislative committee for a proper purpose does not waive the privilege.

(b) Testimony on relevant issue. If it appears that an informer may be able to give relevant testimony and the public entity invokes the privilege, the court shall give the public entity an opportunity to make an in camera showing in support of the claim of privilege. The showing will ordinarily be in the form of affidavits, but the court may direct that testimony be taken if it finds that the matter cannot be resolved satisfactorily upon affidavits. If the court finds that there is a reasonable probability that the informer can give relevant testimony, and the public entity elects not to disclose this identity, in criminal cases the court on motion of the defendant or on its own motion shall grant appropriate relief, which may include one (1) or more of the following:

1. Requiring the prosecuting attorney to comply;

2. Granting the defendant additional time or a continuance;

3. Relieving the defendant from making disclosures otherwise required of him;

4. Prohibiting the prosecuting attorney from introducing specified evidence; and

5. Dismissing charges.

(4) In civil cases, the court may make any order the interests of justice require ***if the informer has pertinent information***. Evidence presented to the court shall be sealed and preserved to be made available to the appellate court in the event of an appeal, and the contents shall not otherwise be revealed without consent of the informed public entity.

Section 14. KRS 422A.0608 is amended to read as follows:

(1) Opinion and reputation evidence of character. The credibility of a witness may be attacked or supported by evidence in the form of opinion or reputation, but subject to these limitations:

(a) The evidence may refer only to character for truthfulness or untruthfulness; and

(b) Evidence of truthful character is admissible only after the character of the witness for truthfulness has been attacked by opinion or reputation evidence***, by specific instances of conduct under subsection (2) of this rule, or by evidence of conviction of crime under KRS 422A.0609 (KRE 609)*** [~~or otherwise~~].

(2) Specific instances of conduct. Specific instances of the conduct of a witness, for the purpose of attacking or supporting the witness' credibility, other than conviction of crime as provided in KRS 422A.0609 (KRE 609), may not be proved by extrinsic evidence. They may, however, in the discretion of the court, if probative of truthfulness or untruthfulness, be inquired into on cross-examination of the witness:

(a) Concerning the witness' character for truthfulness or untruthfulness; or

(b) Concerning the character for truthfulness or untruthfulness of another witness as to which character the witness being cross-examined has testified. No specific instance of conduct of a witness may be the subject of inquiry under this provision unless the cross-examiner has a factual basis for the subject matter of his inquiry.

Section 15. KRS 422A.0609 is amended to read as follows:

(1) General rule. For the purpose of reflecting upon the credibility of a witness, evidence that the witness has been convicted of a crime shall be admitted if elicited from the witness or established by public record if denied by the witness, but only if[~~:~~

~~(a)~~] the crime was punishable by death or imprisonment for one (1) year or more under the law under which the witness was convicted[~~, or the crime involved dishonesty or false statement, regardless of the punishment; and~~

~~(b) The court determines that the probative value of admitting this evidence on the issue of credibility outweighs its prejudicial effect on the opposing party~~].

The identity of the crime upon which conviction was based may not be disclosed upon cross-examination unless the witness has denied the existence of the conviction. However, a witness against whom a conviction is admitted under this provision may choose to disclose the identity of the crime upon which the conviction is based.

(2) Time limit. Evidence of a conviction under this rule is not admissible if a period of more than ten (10) years has elapsed since the date of the conviction unless the court determines that the probative value of the conviction substantially outweighs its prejudicial effect.

(3) Effect of pardon, annulment, or certificate of rehabilitation. Evidence of a conviction is not admissible under this rule if[~~:~~

~~(a) The conviction has been the subject of a pardon, annulment, certificate of rehabilitation, or other equivalent procedure based on a finding of the rehabilitation of the person convicted, and that person has not been convicted of a subsequent crime which was punishable by death or imprisonment of one (1) year or more; or~~

~~(b)~~] the conviction has been the subject of a pardon, annulment, or other equivalent procedure based on a finding of innocence.

[~~(4) Juvenile adjudications. Evidence of juvenile adjudications is generally not admissible under this rule. The court may, however, in a criminal case allow evidence of a juvenile adjudication of a witness other than the accused if conviction of the offense would be admissible to attack the credibility of an adult and the court is satisfied that admission in evidence is necessary for a fair determination of the issue of guilt or innocence.~~

~~(5) Pendency of appeal. The pendency of an appeal therefrom does not render evidence of a conviction inadmissible. Evidence of the pendency of an appeal is admissible.~~]

Section 16. KRS 422A.0613 is amended to read as follows:

(1) Examining witness concerning prior statement. ***Before other evidence can be offered of the witness having made at another time a different statement, he must be inquired of concerning it, with the circumstances of time, place, and persons present, as correctly as the examining party can present them; and, if it be in writing, it must be shown to the witness, with opportunity to explain it. The court may allow such evidence to be introduced when it is impossible to comply with this rule because of the absence at the trial or hearing of the witness sought to be contradicted, and when the court finds that the impeaching party has acted in good faith.*** [~~In examining a witness concerning a prior statement made by the witness, whether written or not, the statement need not be shown nor its contents disclosed to the witness at that time, but on request the same shall be shown or disclosed to opposing counsel.~~]

(2) [~~Extrinsic evidence of prior inconsistent statement of witness. Extrinsic evidence of a prior inconsistent statement by a witness is not admissible unless the witness is afforded an opportunity to explain or deny the same and the opposite party is afforded an opportunity to interrogate the witness thereon, or the interests of justice otherwise require.~~] This provision does not apply to admissions of a party-opponent as defined in KRS 422A.0801A (KRE 801-A).

Section 17. KRS 422A.0614 is amended to read as follows:

(1) Calling by court. The court may, on its own motion or at the suggestion of a party, call witnesses, and all parties are entitled to cross-examine witnesses thus called.

(2) Interrogation by court. The court may interrogate witnesses, whether called by itself or by a party.

(3) Interrogation by juror. A juror may be permitted to address questions to a witness by submitting them in writing to the judge who will decide at his discretion whether or not to submit the questions to the witness for answer.

(4) Objections. Objections to the calling of witnesses by the court, to interrogation by the court, or to interrogation by a juror may be made out of the hearing of the jury at the earliest available opportunity.

Section 18. KRS 422A.0705 is amended to read as follows:

[~~(1) General.~~] The expert may testify in terms of opinion or inference and give reasons therefor without prior disclosure of the underlying facts or data, unless the court requires otherwise. The expert may in any event be required to disclose the underlying facts or data on cross-examination.

[~~(2) Voir dire examination. Prior to the expert giving his opinion or inference, a party against whom the opinion or inference is offered may conduct outside the presence of the jury a voir dire examination of the witness directed to the underlying facts or data for the opinion or inference. If this examination produces~~

~~evidence indicating that the expert lacks a sufficient basis for the opinion or inference, the trial judge shall exclude the expert's testimony unless the offering party establishes sufficient underlying facts or data for the opinion or inference.~~]

Section 19. KRS 422A.0706 is amended to read as follows:

(1) Appointment. The court may on its own motion or on the motion of any party enter an order to show cause why expert witnesses should not be appointed, and may require the parties to submit nominations. The court may appoint any expert witnesses agreed upon by the parties, and may appoint expert witnesses of its own selection. An expert witness shall not be appointed by the court unless the witness consents to act. A witness so appointed shall be informed of the witness, duties by the court in writing, a copy of which shall be filed with the clerk, or at a conference in which the parties shall have opportunity to participate. A witness so appointed shall advise the parties of the witness' findings, if any; the witness' deposition may be taken by any party; and the witness may be called to testify by the court or any party. The witness shall be subject to cross-examination by each party, including a party calling the witness.

(2) Compensation. Expert witnesses so appointed are entitled to reasonable compensation in whatever sum the court may allow. Except as otherwise provided by law, the compensation shall be paid by the parties in such proportions and at such time as the court directs, and thereafter charged in like manner as other costs.

[~~(3) Disclosure of appointment. In the exercise of its discretion, the court may authorize disclosure to the jury of the fact that the court appointed the expert witness.~~

~~(4) Parties' expert of own selection. Nothing in this rule limits the parties in calling expert witnesses of their own selection.~~]

Section 20. KRS 422A.0801A is amended to read as follows:

(1) Prior statements of witnesses. A statement is not excluded by the hearsay rule, even though the declarant is available as a witness, if the declarant testifies at the trial or hearing and is ***examined*** [~~subject to cross-examination~~] concerning the statement, ***with a foundation laid as required by KRS 422A.0613*** and the statement is:

(a) Inconsistent with the declarant's testimony[~~, and was given under oath subject to the penalty of perjury at a trial, hearing, or other proceeding, or in a deposition~~];

(b) Consistent with the declarant's testimony and is offered to rebut an express or implied charge against the declarant of recent fabrication or improper influence or motive; or

(c) One of identification of a person made after perceiving the person.

(2) Admissions of parties. A statement is not excluded by the hearsay rule, even though the declarant is available as a witness, if the statement is offered against a party and is:

(a) The party's own statement, in either an individual or a representative capacity;

(b) A statement of which the party has manifested an adoption or belief in its truth;

(c) A statement by a person authorized by the party to make a statement concerning the subject;

(d) A statement by the party's agent or servant concerning a matter within the scope of the agency or employment, made during the existence of the relationship; or

(e) A statement by a coconspirator of a party during the course and in furtherance of the conspiracy.

(3) Admission by privity:

(a) Wrongful death. A statement by the deceased is not excluded by the hearsay rule when offered as evidence against the plaintiff in an action for wrongful death of the deceased.

(b) Predecessors in interest. Even though the declarant is available as a witness, when a right, title or interest in any property or claim asserted by a party to a civil action requires a determination that a right, title, or interest existed in the declarant, evidence of a statement made by the declarant during the time the party now claims the declarant was the holder of the right, title, or interest is not excluded by the hearsay rule when offered against the party if the evidence would be admissible if offered against the declarant in an action involving that right, title, or interest.

(c) Predecessors in litigation. Even though the declarant is available as a witness, when the liability, obligation, or duty of a party to a civil action is based in whole or in part upon the liability, obligation or duty of the declarant, or when the claim or right asserted by a party to a civil action is barred or diminished by a breach of duty by the declarant, evidence of a statement made by the declarant is not excluded by the hearsay rule when offered against the party if the evidence would be admissible against the declarant in an action involving that liability, obligation, duty or breach of duty.

Section 21. KRS 422A.0802 is amended to read as follows:

Hearsay is not admissible except as provided by these rules or by [~~other~~] rules of the Supreme Court of Kentucky [~~or by Acts of the General Assembly~~].

Section 22. KRS 422A.0803 is amended to read as follows:

The following are not excluded by the hearsay rules, even though the declarant is available as a witness:

(1) Present sense impression. A statement describing or explaining an event or condition made while the declarant was perceiving the event or condition, or immediately thereafter.

(2) Excited Utterance. A statement relating to a startling event or condition made while the declarant was under the stress of excitement caused by the event or condition.

(3) Then existing mental, emotional, or physical condition. A statement of the declarant's then existing state of mind, emotion, sensation, or physical condition (such as intent, plan, motive, design, mental feeling, pain, and bodily health), but not including a statement of memory or belief to prove the fact remembered or believed unless it relates to the execution, revocation, identification, or terms of declarant's will.

(4) Statements for purposes of medical treatment or diagnosis [~~in connection with treatment~~]. Statements made for purposes of ***medical*** treatment or diagnosis [~~in connection with treatment~~] and describing medical history, or past or present symptoms, pain, or sensations, or the inception or general character of the cause or external source thereof insofar as reasonably pertinent to treatment or diagnosis [~~in connection with treatment~~].

(5) Recorded recollection. A memorandum or record concerning a matter about which a witness once had knowledge but now has insufficient recollection to enable the witness to testify fully and accurately, shown to have been made or adopted by the witness when the matter was fresh in the witness' memory and to reflect that knowledge correctly. If admitted, the memorandum or record may be read into evidence but may not be received as an exhibit unless offered by an adverse party.

(6) Records of regularly conducted activity. A memorandum, report, record, or data compilation, in any form, of acts, events, conditions, opinions, or diagnoses, made at or near the time by, or from information transmitted by, a person with knowledge, if kept in the course of a regularly conducted business activity, and if it was the regular practice of that business activity to make the memorandum, report, record, or data compilation, all as shown by the testimony of the custodian or other qualified witness, unless the source of information or the method or circumstances of preparation indicate lack of trustworthiness. The term "business" as used in this paragraph includes business, institution, association, profession, occupation, and calling of every kind, whether or not conducted for profit.

(a) Foundation exemptions. A custodian or other qualified witness, as required above, is unnecessary when the evidence offered under this provision consists of medical charts or records of a hospital that has elected to proceed under the provisions of KRS 422.300 to 422.330, business records which satisfy the requirements of KRS 422A.0902(11) (KRE 902(11)), or some other record which is subject to a statutory exemption from normal foundation requirements.

(b) Opinion [~~or diagnosis~~]. No evidence in the form of an opinion [~~or diagnosis~~] is admissible under this subsection unless such opinion [~~or diagnosis~~] would be admissible under Article VII of these rules if the person whose opinion [~~or diagnosis~~] is recorded were to testify to the opinion [~~or diagnosis~~] directly.

(7) Absence of entry in records kept in accordance with the provisions of subsection (6). Evidence that a matter is not included in the memoranda, reports, records, or data compilations, in any form, kept in accordance with the provisions of subsection (6), to prove the nonoccurrence or nonexistence of the matter, if the matter was of a kind of which a memorandum, report, record, or other data compilation was regularly made and preserved, unless the sources of information or other circumstances indicate lack of trustworthiness.

(8) Public records and reports. Unless the sources of information or other circumstances indicate lack of trustworthiness, records, reports, statements, or other data compilations in any form of a public office or agency setting forth its regularly conducted and regularly recorded activities, or matters observed pursuant to duty imposed by law and as to which there was a duty to report, or factual findings resulting from an investigation made pursuant to authority granted by law. The following are not within this exception to the hearsay rule:

(a) Investigative reports by police and other law enforcement personnel[~~, except when offered by an accused in a criminal case~~];

(b) Investigative reports prepared by or for a government, a public office, or an agency when offered by it in a case in which it is a party; and

(c) Factual findings offered by the government in criminal cases.

(9) Records of vital statistics. Records or data compilations, in any form, of births, fetal deaths, deaths, or marriages, if the report thereof was made to a public office pursuant to requirements or law.

(10) Absence of public record or entry. To prove the absence of a record, report, statement, or data compilation, in any form, or the nonoccurrence or nonexistence of a matter of which a record, report, statement, or data complication, in any form, was regularly made and preserved by a public office or agency, evidence in the form of a certification in accordance with KRS 422A.0902 (KRE 902), or testimony, that diligent search failed to disclose the record, report, statement, or data compilation, or entry.

(11) Records of religious organizations. Statements of births, marriages, divorces, deaths, legitimacy, ancestry, relationships by blood or marriage, or other similar facts of personal or family history, contained in a regularly kept record of a religious organization.

(12) Marriage, baptismal, and similar certificates. Statements of fact contained in a certificate that the maker performed a marriage or other ceremony or administered a sacrament, made by a clergyman, public official, or other person authorized by the rules or practices or a religious organization or by law to perform the act certified, and purporting to have been issued at the time of the act or within a reasonable time thereafter.

(13) Family records. Statements of births, marriages, divorces, deaths, legitimacy, ancestry, relationship by blood or marriage, or other similar facts of personal or family history contained in family Bibles, genealogies, charts, engravings on rings, inscriptions on family portraits, engravings on urns, crypts, or tombstones, or the like.

(14) Records of documents affecting an interest in property. The record of a document purporting to establish or affect an interest in property, as proof of the content of the original recorded document and its execution and delivery by each person by whom it purports to have been executed, if the record is a record of a public office and an applicable statute authorizes the recording of documents of that kind in that office.

(15) Statements in documents affecting an interest in property. A statement contained in a document purporting to establish or affect an interest in property if the matter stated was relevant to the purpose of the document, unless dealings with the property since the document was made have been inconsistent with the truth of the statement or the purport of the document.

(16) Statements in ancient documents. Statements in a document in existence twenty (20) years or more the authenticity of which is established.

(17) Market reports, commercial publications. Market quotations, tabulations, lists, directories, or other published compilations, generally used and relied upon by the public or by persons in particular occupations.

(18) Learned treatises. To the extent called to the attention of an expert witness upon cross-examination or relied upon by the expert witness in direct examination, statements contained in or pamphlets on a subject of history, medicine, or other science or art, established as a reliable authority by the testimony or admission of the witness or by other expert testimony or by judicial notice. If admitted, the statements may be read into evidence but may not be received as exhibits.

(19) Reputation concerning personal or family history. Reputation among members of a person's family by blood, adoption, or marriage, or among a person's associates, or in the community, concerning a person's birth, adoption, marriage, divorce, death, legitimacy, relationship by blood, adoption, or marriage, ancestry, or other similar fact of his personal or family history.

(20) Reputation concerning boundaries or general history. Reputation in a community, arising before the controversy, as to boundaries of or customs affecting lands in the community, and reputation as to events of general history important to the community or state or nation in which located.

(21) Reputation as to character. Reputation of a person's character among associates or in the community.

(22) Judgment of previous conviction. Evidence of a final judgment, entered after a trial or upon a plea of guilty (but not upon a plea of nolo contendere), adjudging a person guilty of a crime punishable by death or imprisonment under the law defining the crime, to prove any fact essential to sustain the judgment, but not including, when offered by the prosecution in a criminal case for purposes other than impeachment, judgments against persons other than the accused. [~~The pendency of an appeal may be shown but does not affect admissibility.~~]

(23) Judgment as to personal, family, or general history, or boundaries. Judgments as proof of matters of personal, family, or general history, or boundaries, essential to the judgment, if the same would be provable by evidence of reputation.

Section 23. KRS 422A.0804 is amended to read as follows:

(1) Definition of unavailability. "Unavailability as a witness" includes situations in which the declarant:

(a) Is exempted by ruling of the court on the ground of privilege from testifying concerning the subject matter of the declarant's statement;

(b) Persists in refusing to testify concerning the subject matter of the declarant's statement despite an order of the court to do so;

(c) Testifies to a lack of memory of the subject matter of the declarant's statement;

(d) Is unable to be present or to testify at the hearing because of death or then existing physical or mental illness or infirmity; or

(e) Is absent from the hearing and the proponent of ***the*** [~~his~~] statement has been unable to procure the declarant's attendance by process or other reasonable means.

A declarant is not unavailable as a witness if his exemption, refusal, claim of lack of memory, inability, or absence is due to the procurement or wrongdoing of the proponent of a statement for the purpose of preventing the witness from attending or testifying.

(2) Hearsay exceptions. The following are not excluded by the hearsay rule if the declarant is unavailable as a witness:

(a) Former testimony. Testimony given as a witness at another hearing of the same or a different proceeding, or in a deposition taken in compliance with law in the course of the same or another proceeding, if the party against whom the testimony is now offered, or, in a civil action or proceeding, a predecessor in interest, had an opportunity and similar motive to develop the testimony by direct, cross, or redirect examination.

(b) Statement under belief of impending death. In a criminal prosecution or in a civil action or proceeding, a statement made by a declarant while believing that the declarant's death was imminent, concerning the cause or circumstances of what the declarant believed to be his impending death.

(c) Statement against interest. A statement which was at the time of its making so far contrary to the declarant's pecuniary or proprietary interest, or so far tended to subject the declarant to civil or criminal liability, or to render invalid a claim by the declarant against another, that a reasonable person in the declarant's position would not have made the statement unless believing it to be true. A statement tending to expose the declarant to criminal liability is not admissible unless corroborating circumstances clearly indicate the trustworthiness of the statement.

(d) Statements of personal or family history.

1. A statement concerning the declarant's own birth, adoption, marriage, divorce, legitimacy, relationship by blood, adoption, or marriage, ancestry, or other similar fact of personal or family history, even though declarant had no means of acquiring personal knowledge of the matter stated; or

2. A statement concerning the foregoing matters, and death also, of another person, if the declarant was related to the other by blood, adoption or marriage or was so intimately associated with the other's family as to be likely to have accurate information concerning the matter declared.

[~~(c) Residual exception. A statement not specifically covered by any of the foregoing exceptions or any of the exceptions contained in KRS 422A.0803 (KRE 803) but having equivalent circumstantial guarantees of trustworthiness, if the court determines that:~~

~~1. The statement is offered as evidence of a material fact;~~

~~2. The statement is more probative on the point for which it is offered than any other evidence which the proponent can procure through reasonable efforts; and~~

~~3. The general purposes of these rules and the interests of justice will best be served by admission of the statement into evidence. However, a statement may not be admitted under this exception unless the proponent of it makes known to the adverse party sufficiently in advance of the trial or hearing to provide the adverse party with a fair opportunity to prepare to meet it, the proponent's intention to offer the statement and the particulars of it, including the name and address of the declarant.~~]

Section 24. KRS 422A.0902 is amended to read as follows:

Extrinsic evidence of authenticity as a condition precedent to admissibility is not required with respect to the following:

(1) Domestic public documents under seal. A document bearing a seal purporting to be that of the United States, or of any state, district, Commonwealth, territory or insular possession thereof, or the Panama Canal Zone, or the Trust Territory of the Pacific Islands, or of a political subdivision, department, officer, or agency thereof, and a signature purporting to be an attestation or execution.

(2) Domestic public documents not under seal. A document purporting to bear the signature in the official capacity of an officer or employee of any entity included in subsection (1) of this section, having no seal, if a public officer having a seal and having official duties in the district or political subdivision of the officer or employee certifies under seal that the signer has the official capacity and that the signature is genuine.

(3) Foreign public documents. A document purporting to be executed, or attested in an official capac a person authorized by the laws of a foreign country to make the execution or attestation, and accompanied by a final certification as to the genuineness of the signature of official position:

(a) Of the executing or attesting person; or

(b) Of any foreign official whose certificate of genuineness of signature and official position relates to the execution or attestation.

A final certification may be made by a secretary of embassy or legation, consul general, consul, vice consul, or consular agent of the United States, or a diplomatic or consular official of the foreign country assigned or accredited to the United States, If reasonable opportunity has been given to all parties to investigate the authenticity and accuracy of official documents, the court may, for good cause shown, order that they be treated as presumptively authentic without final certification or permit them to be evidenced by an attested summary with or without final certification.

(4) Official records. An official record or an entry therein, when admissible for any purpose, may be evidenced by an official publication thereof or by a copy attested by an official having the legal custody of the record. If the office in which the record is kept is outside the Commonwealth of Kentucky, the attested copy shall be accompanied by a certificate that the official attesting to the accuracy of the copy has the authority to do so. The certificate accompanying domestic records (those from offices within the territorial jurisdiction of the United States) may be made by a judge of a court of record of the district or political subdivision in which the record is kept, authenticated by the seal of the court, or may be made by any public officer having a seal of office and having official duties in the district or political subdivision in which the record is kept, authenticated by the seal of office. The certificate accompanying foreign records (those from offices outside the territorial jurisdiction of the United States) may be made by a secretary of embassy or legation, consul general, consul, vice consul, or consular agent or by any officer in the foreign service of the United States stationed in the foreign state or country in which the record is kept, and authenticated by the seal of office. A written statement prepared by an official having the custody of a record that after diligent search no record or entry of a specified tenor is found to exist in the records of the office, complying with the requirements set out above, is admissible as evidence that the records of the office contain no such record of entry.

(5) Official publications. Books, pamphlets, or other publications purporting to be issued by public authority.

(6) Books, newspapers and periodicals. Printed materials purporting to be books, newspapers or periodicals.

(7) Trade inscriptions and the like. Inscriptions, signs, tags or labels purporting to have been affixed in the course of business and indicating ownership, control or origin.

(8) Acknowledged documents. Documents accompanied by a certificate of acknowledgement executed in the manner provided by law before a notary public or other officer authorized by law to take acknowledgements.

(9) Commercial paper and related documents. Commercial paper, signatures thereon, and documents relating thereto to the extent provided by the general commercial law.

(10) Documents which self-authenticate by the provisions of statutes or other rules of evidence. Any signature, document, or other matter which is declared to be presumptively genuine by Act of Congress or the General Assembly of Kentucky or by rule of the Supreme Court of Kentucky.

(11) Business records. (a) Unless the sources of information or other circumstances indicate lack of trustworthiness, the original or a duplicate of a record of regularly conducted activity within the scope of KRS 422A.0803(6) (KRE 803(6)) or 422A.0803(7) (KRE 803(7)), which the custodian thereof certifies:

1. Was made, at or near the time of the occurrence of the matters set forth, by (or from information transmitted by) a person with knowledge of those matters;

2. Is kept in the ***course*** [~~court~~] of the regularly conducted activity; and

3. Was made by the regularly conducted activity as a regular practice.

(b) A record so certified is not self-authenticating under this subsection unless the proponent makes an intention to offer it known to the adverse party and makes it available for inspection sufficiently in advance of its offer in evidence to provide the adverse party with a fair opportunity to challenge it.

(c) As used in this subsection, "certifies" means, with respect to a domestic record, a written declaration under oath subject to the penalty of perjury, and, with respect to a foreign record, a written declaration which, if falsely made, would subject the maker to criminal penalty under the laws of that country. The certificate relating to a foreign record must be accompanied by a final certification as to the genuineness of the signature and official position:

1. Of the individual executing the certificate; or

2. Of any foreign official who certifies the genuineness of signature and official position of the executing individual or is the last in a chain of certificates that collectively certify the genuineness of signature and official position of the executing individual.

A final certification must be made by a secretary of embassy or legation, consul general, consul, vice consul, or consular agent or by an officer in the foreign service of the United States stationed in the foreign state or country in which the record is kept, and authenticated by the seal of office.

Section 25. KRS 422A.1004 is amended to read as follows:

The original is not required, and other evidence of the contents of a writing, recording, or photograph is admissible if:

(1) Originals lost or destroyed. All originals are lost or have been destroyed, unless the proponent lost or destroyed them in bad faith;

(2) Original not obtainable. No original can be obtained by any available judicial process or procedure; ***or***

(3) Original in possession of opponent. At a time when an original was under the control of the party against whom offered, that party was put on notice, by the pleadings or otherwise, that the contents would be a subject of proof at the hearing, and that party does not produce the original at the hearing[~~; or~~

~~(4) Collateral matters. The writing, recording, or photograph is not closely related to a controlling issue~~].

Section 26. KRS 422A.1102 is amended to read as follows:

(1) Supreme Court. The Supreme Court of Kentucky shall have the power to prescribe amendments or additions to the Kentucky Rules of Evidence. [~~Such~~] Amendments or additions shall not take effect until they have been reported to the Kentucky General Assembly by the Chief Justice of the Supreme Court at or after the beginning of a regular session of the General Assembly but not later than the first day of March, and until the adjournment of that regular session of the General Assembly; but if the General Assembly within that time shall by resolution disapprove any amendment or addition so reported it shall not take effect. The effective date of any amendment or addition so reported may be deferred by the General Assembly to a later date or until approved by the General Assembly. ***However, the General Assembly may not disapprove any amendment or addition or defer the effective date of any amendment or addition that constitutes rules of practice and procedure under Section 116 of the Kentucky Constitution.***

(2) General Assembly. The General Assembly may amend any proposal reported by the Supreme Court pursuant to subsection (1) of this section and may adopt amendments or additions to the Kentucky Rules of Evidence not reported to the General Assembly by the Supreme Court. ***However,*** the General Assembly may not ***amend any proposals reported by the Supreme Court and may not*** adopt amendments or additions ***to the Kentucky Rules of Evidence*** that constitute rules of practice and procedure under Section 116 of the Constitution of Kentucky.

(3) Review of proposals for change. Neither the Supreme Court nor the General Assembly should undertake to amend or add to the Kentucky Rules of Evidence without first obtaining a review of proposed amendments or additions from the Evidence Rules Review Commission described in KRS 422A.1103 (KRE 1103).

Section 27. KRS 422A.1103 is amended to read as follows:

(1) The Chief Justice of the Supreme Court ***or a designated justice*** shall serve as chairman of a permanent Evidence Rules Review Commission which shall consist of the Chief Justice ***or a designated justice***, one (1) additional member of the judiciary appointed by the Chief Justice, the chairman of the Senate Judiciary Committee, the chairman of the House Judiciary Committee, and five (5) members of the Kentucky bar appointed to four (4) year terms by the ***Chief Justice*** [~~President of the Kentucky Bar Association~~].

(2) The Evidence Rules Review Commission shall meet at the call of the Chief Justice ***or a designated justice*** for the purpose of reviewing proposals for amendment or addition to the Kentucky Rules of Evidence, as requested by the Supreme Court or General Assembly pursuant to KRS 422A.1102 (KRE 1102). The Commission shall act promptly to assist the Supreme Court or General Assembly and shall perform its review function in furtherance of the ideals and objectives described in KRS 422A.0102 (KRE 102).

Section 28. KRS 422A.1104 is amended to read as follows:

The commentary accompanying the Kentucky Rules of Evidence may be used as an aid in construing the provisions of the Rules***, but shall not be binding upon the Court of Justice.***

Section 29. The following KRS sections are repealed:

422A.0406 (KRE 406) (EFFECTIVE JULY 1, 1992, IF ADOPTED BY THE KENTUCKY SUPREME COURT) Habit — Routine practice.

422A.0502 (KRE 502) (EFFECTIVE JULY 1, 1992, IF ADOPTED BY THE KENTUCKY SUPREME COURT) Involuntary disclosure of confidential communications.

422A.0704 (KRE 704) (EFFECTIVE JULY 1, 1992, IF ADOPTED BY THE KENTUCKY SUPREME COURT) Opinion on ultimate issue.

Acts 1990, Chapter 88, Section 93.

Section 30. The repeal of KRS 447.030, "Acts and compilations of former laws, evidence," contained in 1990 Kentucky Acts Chapter 88, Section 92, is hereby repealed.

Section 31. The amendments contained in Sections 1 to 28 of this Act to statutes enacted in 1990 Kentucky Acts Chapter 88 shall not change the effective date of those statutes.

Section 32. Repealers specified in Acts 1990 Chapter 88, Section 92 shall become effective July 1, 1992.

Section 33. The Kentucky Rules of Evidence shall be codified as a separate part of the Kentucky Revised Statutes and not as a chapter thereof. The Reviser of Statutes shall renumber the provisions of this Act and the provisions of the existing KRS Chapter 422A into this separate entity in a manner consistent with the numbering found in the Federal Rules of Evidence.

Section 34. Whereas the Kentucky Rules of Evidence enacted at 1990 Kentucky Acts Chapter 88 were enacted with an effective date of July 1, 1992, contingent upon adoption by the Supreme Court of Kentucky, and this date occurs prior to the normal effective date of legislation enacted by this 1992 Regular Session of the General Assembly, and this Act contains amendments to those Rules, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

HB 256, AN ACT relating to crimes and punishments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 503.010 is amended to read as follows:

The following definitions apply in this chapter unless the context otherwise requires:

(1) "Deadly physical force" means force which is used with the purpose of causing death or serious physical injury or which the defendant knows to create a substantial risk of causing death or serious physical injury.

(2) "Dwelling" means any building or structure, though movable or temporary which is for the time being either totally or partially the defendant's home or place of lodging.

(3) ***"Imminent" means impending danger, and, in the context of domestic violence, belief that danger is imminent can be inferred from a past pattern of repeated serious abuse.***

(4) "Physical force" means force used upon or directed toward the body of another person and includes confinement.

Section 2. KRS 503.050 is amended to read as follows:

(1) The use of physical force by a defendant upon another person is justifiable when the defendant believes that such force is necessary to protect himself against the use or imminent use of unlawful physical force by the other person.

(2) The use of deadly physical force by a defendant upon another person is justifiable under subsection (1) only when the defendant believes that such force is necessary to protect himself against death, serious physical injury, kidnapping, or sexual intercourse compelled by force or threat.

(3) In considering justification for the use of deadly physical force by a defendant upon another person in a domestic violence situation, any past pattern of repeated abuse between the defendant and the deceased shall be relevant.

Section 3. KRS 533.060 is amended to read as follows:

(1) When a person has been convicted of an offense or has entered a plea of guilty to an offense classified as a Class A, B, or C felony and the commission of such offense involved the use of a weapon from which a shot or projectile may be discharged that is readily capable of producing death or other serious physical injury, such person shall not be eligible for probation, shock probation or conditional discharge***, except when the person establishes that the conduct occurred in a domestic violence situation, and that there existed a past pattern of repeated abuse inflicted by deceased against the defendant or the defendant's immediate family.***

(2) When a person has been convicted of a felony and is committed to a correctional facility maintained by the corrections cabinet and released on parole or has been released by the court on probation, shock probation, or conditional discharge, and is convicted or enters a plea of guilty to a felony committed while on parole, probation, shock probation, or conditional discharge, such person shall not be eligible for probation, shock probation, or conditional discharge and the period of confinement for that felony shall not run concurrently with any other sentence.

(3) When a person commits an offense while awaiting trial for another offense, and is subsequently convicted or enters a plea of guilty to the offense committed while awaiting trial, the sentence imposed for the offense committed while awaiting trial shall not run concurrently with confinement for the offense for which said person is awaiting trial.

The Committee Substitute to **HB 256** is as follows:

HB 256, AN ACT relating to crimes and punishments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 503.010 is amended to read as follows:

The following definitions apply in this chapter unless the context otherwise requires:

(1) "Deadly physical force" means force which is used with the purpose of causing death or serious physical injury or which the defendant knows to create a substantial risk of causing death or serious physical injury.

(2) "Dwelling" means any building or structure, though movable or temporary which is for the time being either totally or partially the defendant's home or place of lodging.

(3) ***"Imminent" means impending danger, and, in the context of domestic violence and abuse as defined by KRS 403.720, belief that danger is imminent can be inferred from a past pattern of repeated serious abuse.***

(4) "Physical force" means force used upon or directed toward the body of another person and includes confinement.

Section 2. KRS 503.050 is amended to read as follows:

(1) The use of physical force by a defendant upon another person is justifiable when the defendant believes that such force is necessary to protect himself against the use or imminent use of unlawful physical force by the other person.

(2) The use of deadly physical force by a defendant upon another person is justifiable under subsection (1) only when the defendant believes that such force is necessary to protect himself against death, serious physical injury, kidnapping, or sexual intercourse compelled by force or threat.

(3) Any evidence presented by the defendant to establish the existence of a prior act or acts of domestic violence and abuse as defined in KRS 403.720 by the person against whom the defendant is charged with employing physical force shall be admissible under this section.

Section 3. KRS 533.060 is amended to read as follows:

(1) When a person has been convicted of an offense or has entered a plea of guilty to an offense classified as a Class A, B, or C felony and the commission of such offense involved the use of a weapon from which a shot or projectile may be discharged that is readily capable of producing death or other serious physical injury, such person shall not be eligible for probation, shock probation or conditional discharge***, except when the person establishes that the person against whom the weapon was used had previously or was then engaged in an act or acts of domestic violence and abuse as defined in KRS 403.720 against either the person convicted or a family member as defined in KRS 403.720 of the person convicted. If the person convicted claims to be exempt from this statute because that person was the victim of domestic violence and abuse as defined in KRS 403.720, the trial judge shall conduct a hearing and make findings to determine the validity of the claim and applicability of this exemption. The findings of the court shall be noted in the final judgment.***

(2) When a person has been convicted of a felony and is committed to a correctional facility maintained by the corrections cabinet and released on parole or has been released by the court on probation, shock probation, or conditional discharge, and is convicted or enters a plea of guilty to a felony committed while on parole, probation, shock probation, or conditional discharge, such person shall not be eligible for probation, shock probation, or conditional discharge and the period of confinement for that felony shall not run concurrently with any other sentence.

(3) When a person commits an offense while awaiting trial for another offense, and is subsequently convicted or enters a plea of guilty to the offense committed while awaiting trial, the sentence imposed for the offense committed while awaiting trial shall not run concurrently with confinement for the offense for which said person is awaiting trial.

Section 4. KRS 439.3401 is amended to read as follows:

(1) As used in this section, "violent offender" means any person who has been convicted of or pled guilty to the commission of a capital offense, Class A felony, or Class B felony involving the death of the victim, or rape in the first degree or sodomy in the first degree of the victim, or serious physical injury to a victim.

(2) A violent offender who has been convicted of a capital offense and who has received a life sentence (and has not been sentenced to twenty-five (25) years without parole), or a Class A felony and receives a life sentence, or to death and his sentence is commuted to a life sentence shall not be released on parole until he has served at least twelve (12) years in the penitentiary.

(3) A violent offender who has been convicted of a capital offense or Class A felony with a sentence of a term of years or Class B felony who is a violent offender shall not be released on parole until he has served at least fifty percent (50%) of the sentence imposed.

(4) ***This section shall not apply to a person who has been determined by a court to have been a victim of domestic violence or abuse pursuant to KRS 533.060 with regard to the offenses involving the death of the victim or serious physical injury to the victim. The provisions of this subsection shall not extend to rape in the first degree or sodomy in the first degree by the defendant.***

(5) This section shall apply only to those persons who commit offenses after July 15, 1986.

SECTION 5. A NEW SECTION OF KRS CHAPTER 439 IS CREATED TO READ AS FOLLOWS:

(1) Any violent offender as defined in KRS 439.3401 who was convicted prior to the effective date of this Act who claims to come within the definitions of Sections 2 and 3 of this Act and the purview of this section as the victim of domestic violence and abuse may be exempt from KRS 439.3401 under the conditions set forth in this section.

(2) (a) The offender shall file a motion in the Circuit Court in which the offender was convicted stating the facts which qualify the offender for exemption under this section.

(b) The motion shall state whether the offender requests an evidentiary hearing, or whether the offender relies on the record of evidence already on file with the Circuit Court.

(c) If the offender requests an evidentiary hearing the motion shall state what witnesses the offender wishes to testify and a brief summary of each witness' expected testimony.

(d) The motion shall state whether the offender wishes the court to appoint counsel to represent the offender or what attorney, if any, will represent the offender at the hearing. The appointment of counsel by the court shall be made in conformity with the provisions of KRS Chapter 31.

(3) (a) The Commonwealth shall respond to the motion within twenty (20) days after the motion was filed.

(b) If the Commonwealth requests an evidentiary hearing and the offender did not, the Commonwealth's response shall state what witnesses and evidence the Commonwealth intends to introduce.

(c) The Commonwealth may stipulate to the offender's evidence stated in the motion in lieu of the evidentiary hearing.

(4) The Circuit Court shall hold any evidentiary hearing within thirty (30) days after the Commonwealth's response was filed, or if the Commonwealth did not respond, within sixty (60) days.

(5) The Circuit Court shall issue findings of fact and an order ruling upon the motion within thirty (30) days after the evidentiary hearing, or if no hearing was held, within sixty (60) days after the Commonwealth's response was filed or due to be filed.

(6) The order of the Circuit Court may be appealed in the manner as authorized for judgments in criminal cases.

(7) Only one motion under this section may be filed by the same offender regarding the same conviction.

(8) The effect of granting a motion under this section is to remove the status as a violent offender for the offense for which the motion was filed and permit the offender to be eligible for parole in the manner specified in KRS 439.340.

Section 6. Section 5 of this Act shall be retroactive and apply to offenses committed after July 15, 1986 and prior to the effective date of this Act.

HB 601, AN ACT relating to judicial retirement.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 21.370 is amended to read as follows:

(1) Except as provided in subsection (2) of KRS 21.410 and in subsection (2) of KRS 21.420, no benefits shall be payable under KRS 21.350 to 21.480 to any member or to his surviving spouse, unless he has completed at least eight (8) years of service, including service before becoming a member. No surviving spouse of a retired member shall be entitled to any benefits unless the person was the spouse of the member at the time he retired.

(2) A member who has qualified for benefits pursuant to this section may transfer to the judicial retirement plan up to ten (10) years of service credit which he has earned in the Kentucky Employees' Retirement System. If the member elects to transfer his Kentucky Employees' Retirement System service credit, that system shall transfer to the judicial retirement fund an amount equal to the employee's and employer's contributions attributable to that credit, together with interest on the contributions from the date made to the date of transfer at the actuarially assumed interest rate of the Kentucky Employees' Retirement System in effect at the time the contributions were made, compounded annually at that same interest rate. The member shall be entitled to the transferred service credit, at the rate at which he qualifies pursuant to KRS 21.400, when he pays the total difference between the amount of the funds transferred by the Kentucky Employees' Retirement System and the cost of the credit to the judicial retirement plan, as determined by the actuary for the judicial retirement plan.

(3) Any active member of the Judicial Retirement Plan who is vested in the Judicial Retirement Plan pursuant to subsection (1) of this section or KRS 21.375, shall receive service credit for a maximum of four (4) years for his period of service as a city police judge for a city within the Commonwealth of Kentucky, if the service was performed prior to the first Monday in January, 1978, and if the service has not been credited to the member's account with any other public defined benefit plan, by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The period of service to be purchased shall be certified to the board of trustees by the custodian of the records of the city for which the service was performed. The service credit shall be awarded and the cost shall be determined in conformity with the rate which applies to the member in question pursuant to KRS 21.400. Service credit awarded pursuant to this subsection shall be equivalent, for all purposes of the Judicial Retirement Plan, to other service credit earned in the plan. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer pursuant to KRS 21.360(6).

Section 2. KRS 21.345 is amended to read as follows:

(1) For the purposes of KRS 21.350 to 21.510, "retirement" means a voluntary resignation or a failure of reelection, but does not include a removal for cause.

(2) The word "service" as used in KRS 21.370 to 21.480 means service transferred from the Kentucky Employees' Retirement System pursuant to KRS 21.370(2), ***service as a city police judge purchased pursuant to KRS 21.370(3),*** and service as a Justice of the Supreme Court, as a Judge of the Court of Appeals created by Section 111 of the Constitution of Kentucky, as a regular Circuit Judge, or as a regular Judge of the District Court, including service in one (1) and then another of those capacities. It also includes service as a special Circuit Judge under the conditions described in subsection (3) of this section, as a Judge or commissioner of the former Court of Appeals, or as director of the Administrative Office of the Courts, prior to January 1, 1976, and service continuing beyond that date, in any capacity in or for the Court of Justice, by any person who held the office of commissioner of the former Court of Appeals, or director of the Administrative Office of the Courts, on December 31, 1975. The word "service" embraces only service performed while a member of the retirement system established by KRS 21.350 to 21.510, except that service in any of the positions hereinabove mentioned, before the Judicial Retirement System was made applicable to that category of position, and service transferred from the Kentucky Employees' Retirement System pursuant to KRS 21.370(2), shall be included.

(3) For the purposes of KRS 21.345 to 21.510, a "year" of service means a total of twelve (12) months of service, which need not be in the same calendar year. Service for any part of the calendar month in which the member's term of service begins or ends shall be deemed to constitute a month of service.

(4) The provisions of this section shall not apply to any director of the Administrative Office of the Courts appointed after January 1, 1976, nor shall they apply to any commissioner of the Court of Appeals not appointed prior to January 1, 1976. The administrative director of the courts and commissioners of the Court of Appeals appointed prior to January 1, 1976, shall continue to be members of the system so long as they continue to render service in any capacity in or for the Court of Justice.

HB 646, AN ACT relating to confidentiality of victim assistance files.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 421 IS CREATED TO READ AS FOLLOWS:

Personal information concerning victims of crimes maintained by law enforcement agencies and attorneys for the Commonwealth shall be excluded from the application of KRS 61.870 to 61.884.

The Committee Substitute to **HB 646** is as follows:

HB 646, AN ACT relating to confidentiality of victim assistance files.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 421 IS CREATED TO READ AS FOLLOWS:

The addresses, telephone numbers, and places of employment of victims of crimes maintained by a Commonwealth's attorney or county attorney shall not be subject to the provisions of KRS 61.780 to 61.884.

The Committee on Labor and Industry reported **HB 462** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 462, AN ACT relating to occupational safety and health of employees.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 338.121 is amended to read as follows:

(1) Any employee, or representative of employees, who believes that a violation of an occupational safety and health standard exists that threatens physical harm, or that an imminent danger exists, may request an inspection by giving notice to the commissioner of such violation or danger. Any such notice shall be reduced to writing, shall set forth with reasonable particularity the grounds for the notice, and shall be signed by the employees or representative of employees, and a copy shall be provided the employer or his agent no later than at the time of inspection, except that, upon the request of the person giving such notice, his name and the names of individual employees referred to therein shall not appear in such copy.

(2) If upon receipt of notification, reasonable grounds are believed to exist for such violation or danger, then a special inspection shall be made in accordance with the provisions of KRS 338.101 and 338.111. If no reasonable grounds are believed to exist for such violation of danger, then the commissioner shall notify the employee or the representative of the employees in writing of such determination.

(3) (a) No person shall discharge or in any manner discriminate against any employee because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or related to this chapter or has testified or is about to testify in any such proceeding or because of the exercise by such employee on behalf of himself or others of any right afforded by this chapter; and

(b) Any employee who believes that he has been discharged or otherwise discriminated against by any person in violation of this subsection may, within a reasonable time after such violation occurs, file a complaint with the commissioner alleging such discrimination. Upon receipt of such complaint, the commissioner shall cause such investigation to be made as deemed appropriate. If upon such investigation, the commissioner determines that the provisions of this subsection have been violated, he shall issue a citation to the employer which may be challenged or contested in accordance with the provisions of this chapter and the review commission may order all appropriate relief including rehiring and reinstatement of the employee to his former position with back pay. ***Upon an initial determination by the commissioner that an employee has been discharged by an employer in violation of subsection (3)(a) of this section, the secretary may order reinstatement of the employee pending a final determination and order of the review commission.***

The Committee on Tourism Development and Energy reported **HB 379**, with Committee Substitute attached thereto, **HB 438**, **HB 477**, **HB 616**, with Committee Substitute attached thereto, **HB 627** and **HCR 110** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 379, AN ACT relating to cable television.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 278.010 is amended to read as follows:

As used in KRS 278.010 to 278.450, and in KRS 278.990, unless the context otherwise requires:

(1) "Corporation" includes private, quasi-public and public corporations, and all boards, agencies and instrumentalities thereof, associations, joint-stock companies and business trusts;

(2) "Person" includes natural persons, partnerships, corporations, and two (2) or more persons having a joint or common interest;

(3) "Utility" means any person except a city, who owns, controls or operates or manages any facility used or to be used for or in connection with:

(a) The generation, production, transmission or distribution of electricity to or for the public, for compensation, for lights, heat, power or other uses;

(b) The production, manufacture, storage, distribution, sale or furnishing of natural or manufactured gas, or a mixture of same, to or for the public, for compensation, for light, heat, power or other uses;

(c) The transporting or conveying of gas, crude oil or other fluid substance by pipeline to or for the public, for compensation;

(d) The diverting, developing, pumping, impounding, distributing or furnishing of water to or for the public, for compensation;

(e) The transmission or conveyance over wire, in air or otherwise, of any message by telephone or telegraph for the public, for compensation; [~~or~~]

(f) The treatment of sewage for the public, for compensation, if the facility is a subdivision treatment facility plant, located in a county containing a city of the first class or a sewage treatment facility located in any other county and is not subject to regulation by a metropolitan sewer district; ***or***

(g) The receipt of television signals at a central location and the transmission of those signals, for compensation, to customers or subscribers by means of cables or wires;

(4) "Retail electric supplier" means any person, firm, corporation, association or cooperative corporation, excluding municipal corporations, engaged in the furnishing of retail electric service;

(5) "Certified territory" shall mean the areas as certified by and pursuant to KRS 278.017;

(6) "Existing distribution line" shall mean an electric line which on June 16, 1972, is being or has been substantially used to supply retail electric service and includes all lines from the distribution substation to the electric consuming facility but does not include any transmission facilities used primarily to transfer energy in bulk;

(7) "Retail electric service" means electric service furnished to a consumer for ultimate consumption, but does not include wholesale electric energy furnished by an electric supplier to another electric supplier for resale;

(8) "Electric-consuming facilities" means everything that utilizes electric energy from a central station source;

(9) "Facility" includes all property, means and instrumentalities owned, operated, leased, licensed, used, furnished or supplied for, by, or in connection with the business of any utility;

(10) "Rate" means any individual or joint fare, toll, charge, rental or other compensation for service rendered or to be rendered by any utility, and any rule, regulation, practice, act, requirement or privilege in any way relating to such fare, toll, charge, rental or other compensation, and any schedule or tariff or part of a schedule or tariff thereof;

(11) "Service" includes any practice or requirement in any way relating to the service of any utility, including the voltage of electricity, the heat units and pressure of gas, the purity, pressure and quantity of water, and in general the quality, quantity and pressure of any commodity or product used or to be used for or in connection with the business of any utility;

(12) "Adequate service" means having sufficient capacity to meet the maximum estimated requirements of the customer to be served during the year following the commencement of permanent service and to meet the maximum estimated requirements of other actual customers to be supplied from the same lines or facilities during such year and to assure such customers of reasonable continuity of service;

(13) "Commission" means the public service commission of Kentucky;

(14) "Commissioner" means one (1) of the members of the commission.

SECTION 2. A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO READ AS FOLLOWS:

Every cable television system in the Commonwealth, as defined in KRS 278.010(3)(g), is declared to be a public utility and subject to the provisions of this chapter to the extent allowed by federal law. Regulation by the commission shall not diminish municipal franchising authority over cable television systems which operate within the municipality.

Section 3. KRS 278.130 is amended to read as follows:

(1) For the purpose of maintaining the commission, including the payment of salaries and all other expenses, and the cost of regulation of the utilities subject to its jurisdiction, the Revenue Cabinet shall each year assess the utilities in proportion to their earnings or receipts derived from intrastate business in Kentucky for the preceding calendar year as modified by KRS 278.150, and shall notify each utility on or before July 1 of the amount assessed against it. The total amount so assessed shall not in any year exceed two (2) mills on intrastate receipts as so modified, which shall be deposited into the State Treasury to the credit of the general fund. The sum by each utility shall not be less than fifty dollars ($50) in any one (1) year.

(2) The assessments provided for in this section shall be in lieu of all other fees or assessments levied by any city or other political subdivision for the control or regulation of utilities***, except that nothing in this section shall limit the authority of municipalities to collect franchise payments from cable television systems.***

(3) The commission, upon application by a utility, shall authorize the utility to adjust its rates to recover, within not more than one (1) year, any change in the annual assessment and any costs imposed by commission order for the fees and expenses of consultants. The application, and any hearing or other proceedings thereon, shall be limited to the amount of such adjustment.

The Committee Substitute to **HB 379** is as follows:

HB 379, AN ACT relating to cable television.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 278.010 is amended to read as follows:

As used in KRS 278.010 to 278.450, and in KRS 278.990, unless the context otherwise requires:

(1) "Corporation" includes private, quasi-public and public corporations, and all boards, agencies and instrumentalities thereof, associations, joint-stock companies and business trusts;

(2) "Person" includes natural persons, partnerships, corporations, and two (2) or more persons having a joint or common interest;

(3) "Utility" means any person except a city, who owns, controls or operates or manages any facility used or to be used for or in connection with:

(a) The generation, production, transmission or distribution of electricity to or for the public, for compensation, for lights, heat, power or other uses;

(b) The production, manufacture, storage, distribution, sale or furnishing of natural or manufactured gas, or a mixture of same, to or for the public, for compensation, for light, heat, power or other uses;

(c) The transporting or conveying of gas, crude oil or other fluid substance by pipeline to or for the public, for compensation;

(d) The diverting, developing, pumping, impounding, distributing or furnishing of water to or for the public, for compensation;

(e) The transmission or conveyance over wire, in air or otherwise, of any message by telephone or telegraph for the public, for compensation; [~~or~~]

(f) The treatment of sewage for the public, for compensation, if the facility is a subdivision treatment facility plant, located in a county containing a city of the first class or a sewage treatment facility located in any other county and is not subject to regulation by a metropolitan sewer district; ***or***

(g) The receipt of television signals at a central location and the transmission of those signals, for compensation, to customers or subscribers by means of cables or wires;

(4) "Retail electric supplier" means any person, firm, corporation, association or cooperative corporation, excluding municipal corporations, engaged in the furnishing of retail electric service;

(5) "Certified territory" shall mean the areas as certified by and pursuant to KRS 278.017;

(6) "Existing distribution line" shall mean an electric line which on June 16, 1972, is being or has been substantially used to supply retail electric service and includes all lines from the distribution substation to the electric consuming facility but does not include any transmission facilities used primarily to transfer energy in bulk;

(7) "Retail electric service" means electric service furnished to a consumer for ultimate consumption, but does not include wholesale electric energy furnished by an electric supplier to another electric supplier for resale;

(8) "Electric-consuming facilities" means everything that utilizes electric energy from a central station source;

(9) "Facility" includes all property, means and instrumentalities owned, operated, leased, licensed, used, furnished or supplied for, by, or in connection with the business of any utility;

(10) "Rate" means any individual or joint fare, toll, charge, rental or other compensation for service rendered or to be rendered by any utility, and any rule, regulation, practice, act, requirement or privilege in any way relating to such fare, toll, charge, rental or other compensation, and any schedule or tariff or part of a schedule or tariff thereof;

(11) "Service" includes any practice or requirement in any way relating to the service of any utility, including the voltage of electricity, the heat units and pressure of gas, the purity, pressure and quantity of water, and in general the quality, quantity and pressure of any commodity or product used or to be used for or in connection with the business of any utility;

(12) "Adequate service" means having sufficient capacity to meet the maximum estimated requirements of the customer to be served during the year following the commencement of permanent service and to meet the maximum estimated requirements of other actual customers to be supplied from the same lines or facilities during such year and to assure such customers of reasonable continuity of service;

(13) "Commission" means the public service commission of Kentucky;

(14) "Commissioner" means one (1) of the members of the commission.

SECTION 2. A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO READ AS FOLLOWS:

(1) Except as specified in subsection (3) of this section, every cable television system in the Commonwealth, as defined in KRS 278.010(3)(g), with one thousand (1,000) or more subscribers, is declared to be a public utility and subject to the provisions of this chapter to the extent allowed by federal law.

(2) Regulation by the commission shall supersede any rate making authority of municipalities, but shall not otherwise diminish municipal franchising authority over cable television systems which operate within the municipality.

(3) A city which has established by ordinance a cable television authority or commission to oversee cable television service within the city may elect to continue local regulation, which shall be in lieu of all regulation by the Public Service Commission. To make this election, the city shall file the following with the commission:

(a) A copy of the certified resolution of the city legislative body stating the intent of the city to continue to regulate cable television locally;

(b) A copy of the ordinance which established the cable television authority or commission; and

(c) The name, telephone number and mailing address of the authority, and of the agent for service of process.

(4) The city may rescind its election by filing with the commission a copy of the certified resolution stating its intent to discontinue local regulation of cable television.

Section 3. KRS 278.130 is amended to read as follows:

(1) For the purpose of maintaining the commission, including the payment of salaries and all other expenses, and the cost of regulation of the utilities subject to its jurisdiction, the Revenue Cabinet shall each year assess the utilities in proportion to their earnings or receipts derived from intrastate business in Kentucky for the preceding calendar year as modified by KRS 278.150, and shall notify each utility on or before July 1 of the amount assessed against it. The total amount so assessed shall not in any year exceed two (2) mills on intrastate receipts as so modified, which shall be deposited into the State Treasury to the credit of the general fund. The sum by each utility shall not be less than fifty dollars ($50) in any one (1) year.

(2) The assessments provided for in this section shall be in lieu of all other fees or assessments levied by any city or other political subdivision for the control or regulation of utilities***, except that nothing in this section shall limit the authority of municipalities to collect franchise payments from cable television systems***.

(3) The commission, upon application by a utility, shall authorize the utility to adjust its rates to recover, within not more than one (1) year, any change in the annual assessment and any costs imposed by commission order for the fees and expenses of consultants. The application, and any hearing or other proceedings thereon, shall be limited to the amount of such adjustment.

HB 438, AN ACT relating to the arts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 2 IS CREATED TO READ AS FOLLOWS:

Devou Park Summer Classics Theatre of Covington shall be designated as the Kentucky Commonwealth Theatre.

HB 477, AN ACT relating to telecommunication services for hearing-impaired or speech-impaired persons, and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 278.548 is amended to read as follows:

The commission shall establish a program to make dual party relay services available not later than October 1, 1991***, and shall make interstate dual party relay services available no later than July 1, 1992***. The dual party relay service***, whether intrastate or interstate,*** shall be operated seven (7) days a week for twenty-four (24) hours per day for all hearing-impaired or speech-impaired telephone subscribers within the Commonwealth. In order to determine the most cost effective method of providing dual party relay services that will meet the requirements of the hearing-impaired and speech-impaired, the commission shall initiate an investigation, conduct public hearings, and solicit the advice and counsel of hearing-impaired persons and speech-impaired persons and the organizations serving them.

Section 2. Whereas access to interstate service is crucial to many hearing-impaired and speech-impaired citizens of the Commonwealth, and preparation is needed to implement the service by July 1, 1992, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

HB 616, AN ACT relating to natural gas.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding any other provisions of this chapter, the sale of natural gas to a compressed natural gas fuel station, retailer, or to any end-user for use as a motor vehicle fuel, shall not be subject to regulation by the Kentucky Public Service Commission.

(2) The transportation, distribution, or delivery of natural gas to any compressed natural gas fuel station, retailer, or any end-user for use as a motor vehicle fuel, shall continue to be subject to regulation by the Kentucky Public Service Commission.

The Committee Substitute to **HB 616** is as follows:

HB 616, AN ACT relating to natural gas.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding any other provisions of this chapter, the sale of natural gas to a compressed natural gas fuel station, retailer, or to any end-user for use as a motor vehicle fuel, shall not be subject to regulation by the Kentucky Public Service Commission.

(2) The cost of service for transportation, distribution, or delivery of natural gas to any compressed natural gas fuel station, retailer, or any end-user for use as a motor vehicle fuel, shall continue to be subject to regulation by the Kentucky Public Service Commission.

HB 627, AN ACT relating to oil and gas pipelines.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 278.502 is amended to read as follows:

Any corporation or partnership organized for the purpose of, and any individual engaged in or proposing to engage in, constructing, maintaining or operating oil or gas wells or pipelines for transporting or delivering oil or gas***, including oil and gas products,*** in public service may, if it is unable to contract or agree with the owner after a good faith effort to do so, condemn the lands and material or the use and occupation of the lands that are necessary for constructing, maintaining, drilling, utilizing and operating pipelines, underground oil or gas storage fields and wells giving access thereto and all necessary machinery, equipment, pumping stations, appliances and fixtures, including tanks and telephone lines, and other communication facilities, for use in connection therewith, and the necessary rights of ingress and egress to construct, examine, alter, repair, maintain, operate or remove such pipelines or underground gas storage fields, to drill new wells and utilize existing wells in connection therewith, and remove pipe. casing, equipment and other facilities relating to such underground storage fields and access wells. The proceedings for condemnation shall be as provided in the Eminent Domain Act of Kentucky.

HCR 110, A CONCURRENT RESOLUTION directing the Legislative Research Commission to create a special task force on highway signage.

WHEREAS, the travel and tourism industry in Kentucky contributed nearly $5,000,000,000 to the state's economy in 1990: and

WHEREAS, a total of 126,425 jobs resulted from the travel and tourism industry in 1990, making the industry the second largest private employer in Kentucky; and

WHEREAS, Kentucky has increasingly become a final destination for thousands of tourists, because of the Commonwealth's strategic location and wealth of tourist attractions; and

WHEREAS, Kentucky has an extensive highway system to carry tourists to particular points of interest all throughout the state; and

WHEREAS, the Commonwealth of Kentucky has an obligation to the traveling public to develop a comprehensive highway signage plan that ensures that the state has erected and maintained a sufficient number of signs to guide tourists to their destination in a safe and efficient manner;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Legislative Research Commission shall create a special task force on highway signage to consist of fifteen (15) members, to include the following:

(a) Co-chairs of the Tourism Development and Energy Task Force;

(b) Co-chairs of the Subcommittee on Tourism of the Tourism Development and Energy Task Force;

(c) Co-chairs of the Interim Joint Committee on Transportation;

(d) Secretary of the Tourism Cabinet or his designee;

(e) Secretary of the Transportation Cabinet or his designee;

(f) Representative of the Federal Highway Administrators' Office in Frankfort;

(g) Representative of Scenic Kentucky;

(h) Representative of the outdoor advertising industry;

(i) Representative of the Kentucky Tourism Council; and

(j) Three owners or operators of tourism attractions in Kentucky.

Section 2. That the special task force on highway signage shall identify and evaluate all categories of highway signs that are currently authorized by local, state, or federal governments, to be utilized for advertising or directional purposes, and shall identify and evaluate categories of highway signs not currently authorized, shall identify and evaluate alternatives to highway signs, and shall draft a report that includes a comprehensive highway signage plan based on the findings of the task force.

Section 3. To accomplish the mandates specified in Section 2, the special task force on highway signage may utilize outside professional services in addition to staff services provided by the Legislative Research Commission. The use of outside professional services shall meet with the approval of the Legislative Research Commission and be provided for by personal service contract, pursuant to KRS 45A.690 to 45A.725.

Section 4. This report shall be submitted to the Legislative Research Commission no later than July 1, 1993.

Section 5. Staff services to be utilized in completing this study are estimated to cost $20,000. These staff services shall be provided from the regular Commission budget, and are subject to the limitations and other research responsibilities of the Commission.

The Committee on Economic Development reported **HB 680**, with Committee Amendments attached thereto, **HB 681**, with Committee Substitute attached thereto, **HB 726** and **HB 738** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 680, AN ACT relating to workforce training.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO READ AS FOLLOWS:

(1) There shall be allowed as a nonrefundable credit against the tax imposed by KRS 141.020 and 141.040, for amounts expended on training which provides basic skills training or retraining programs designed to increase company productivity and opportunities for employee advancement with the employer.

(2) For purposes of subsection (1) of this section, the amount of the employee training credit for any taxable year shall be:

(a) The amount by which the qualifying training expenses, exceed the base period training expenses of the taxpayer; and

(b) The amount as prescribed in subsection (2)(a) of this section, but not to exceed five hundred dollars ($500) for each employee trained by a taxpayer.

(3) The credits allowed under this section shall be in lieu of the deductions for training expenses used in computing the amount of the credit, and shall not be used by any business enterprise or corporation other than the business enterprise actually qualifying for the credits.

(4) The credit shall be allowed in the taxable year of the taxpayer in which the individual completes new skills or skills upgrade training.

(5) For the purpose of Sections 1 to 2 of this Act:

(a) "Basic skills training" means any employer-provided or employer-sponsored training that enhances reading, writing, or math skills, and leads to the employee acquisition of a General Education Development Certificate for employees who are unable to function effectively on the job due to deficiencies in these areas, or who would be displaced because these skill deficiencies will inhibit their training for new technology.

(b) "Retraining programs" means employer-provided or employer-sponsored training that, upon successful completion, certifies the employee as qualified to be considered for promotional opportunities with the employer, enables a plant to convert to other types of production, enables an employee to operate modernized plant equipment, or enables an employee to train or manage others concerning required new skills or modernized equipment.

(c) "Employer-provided training" means on-site training for company employees only.

(d) "Employer-sponsored training" means training purchased by the company, away from the company facility.

(e) "Base period" means the three (3) taxable years of the taxpayer immediately preceding the taxable year on an annualized basis for which the determination is being made.

(f) "Qualified training expenses" means actual expenses of employee release time from work, tuition, fees, instructors, instructional materials and equipment, and the construction and maintenance of facilities designated exclusively for training purposes.

(6) To receive the credit provided in subsection (1) of this section a taxpayer shall:

(a) Claim the credit in the taxpayer's annual state tax return or returns in the manner prescribed by the Revenue Cabinet; and

(b) File with the Revenue Cabinet with the taxpayer's annual state tax return or returns a copy of the certification form issued by the Workforce Development Cabinet concerning the qualifying credit.

SECTION 2. A NEW SECTION OF KRS CHAPTER 151B IS CREATED TO READ AS FOLLOWS:

(1) The taxpayer claiming the credit provided for in Section 1 of this Act shall submit the information required by the Workforce Development Cabinet to support the criteria required for claiming the credit.

(2) Information for qualification shall include, but not be limited to: company and employee identification, location of training, duration of each employee's training in hours, day and time of each employee's training sessions, expenses incurred pursuant to Section 1 of this Act, base period training expenses, copies of General Education Development Certificates for each qualifying employee, name and qualifications of all instructors, learning curricula, or lesson plans, letters of agreement with vocational technical schools, community colleges, colleges and universities, adult education programs and other technical school and employee-sponsored training programs.

(3) The Workforce Development Cabinet shall develop, implement, and make available upon request a business training tax credit application pursuant to Section 1 of this Act. The Workforce Development Cabinet shall certify and provide certification forms to each qualifying taxpayer based on application

information, pursuant to Section 1 of this Act, and on evaluation of the applicant's training effort to achieve the purpose set forth in Section 1 of this Act, and calculations as to the value of the taxpayer's training credit. The Workforce Development Cabinet shall provide certification forms or written rejection of a taxpayer's credit application within sixty (60) days of the application and completion of the training.

(4) The Workforce Development Cabinet shall promulgate administrative regulations in consultation with the Revenue Cabinet concerning implementation of the training tax credit pursuant to this section.

The Committee Amendment No. 1 to **HB 680** is as follows:

Amend printed copy of **HB 680** as follows:

On page 3, line 10, before the period and after "*purposes*" insert "*, and shall include the employer's contribution to an apprenticeship training program registered with the Labor Cabinet, pursuant to KRS Chapter 343*".

The Committee Amendment No. 2 to **HB 680** is as follows:

Amend printed copy of **HB 680** as follows:

On page 1, line 19 by inserting after the word "*of*" the words "*any income tax*" and by deleting the word "*the*".

On page 2, line 1, by deleting the "." and inserting in its place the following: "*, except as provided in subsections (7) and (8) of this section.*"

On page 2, line 4, by inserting after the word "*training.*" the following sentence:

"*If the amount of credit exceeds the tax liability of the taxpayer for any taxable year, the credit may be carried forward to subsequent taxable years.*"

On page 3, line 19, by inserting after "*credit.*" as a new paragraph, the following:

"*(7) Any S-corporation, estate, or trust which qualifies for the credit provided by subsection (1) of this section shall first apply the employer portion of the credit against the Kentucky income tax liability, if any, of the S-corporation, estate, or trust for the taxable year for which the credit was determined. Any remaining amount of the credit shall be apportioned to the shareholders or beneficiaries of the S-corporation, estate, or trust in the same ratio used to determine the shareholders' or beneficiaries' distributive share of income, gain, loss, or deductions for the taxable year, and the shareholders or beneficiaries will be entitled to claim their share of the credit against their Kentucky income tax liability for the taxable year that corresponds with or during which the taxable year of the S-corporation, estate, or trust ends.*

(8) Any partnership which qualifies for the credit provided by subsection (1) of this section shall apportion the employer portion of the credit to the partners of the partnership in the same ratio used to determine the partners' distributive share of income, gain, loss, or deductions for the taxable year for which the credit was determined. The partners will be entitled to claim their share of the credit against their Kentucky income tax liability for the taxable year during which the taxable year of the partnership ends."

HB 681, AN ACT relating to the Kentucky Development Finance Authority.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 154.005 TO 154.180 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky Development Finance Authority, or its successor, shall develop, pursuant to KRS 154.005 to 154.180, criteria to be used by the authority in considering the requests by industrial entities for financial assistance for proposed industrial development projects. The criteria shall include, but not be limited to, potential productivity gains due to the funding of the proposed technological investment.

(2) In developing criteria as prescribed in subsection (1) of this section, the authority shall consider the following:

(a) For existing firms, past productivity trends and potential productivity gains due to the funding of technological investments which are expected to result in increased employment; and

(b) For new firms, the degree to which the proposed technological investment will be expected to cause the firm's productivity to be higher than the industry it represents.

(3) When considering productivity gains, the authority shall consider the following:

(a) 1. Total real value of output defined as the total sales in real dollars in the calendar year adjusted by the producer price index for the standard industrial classification of that business; or

2. Potential total real value of output defined as the forecasted total sales in real dollars as measured in the current period; and

(b) 1. Productivity measure defined as the total real value of output for a calendar year divided by total employment for that calendar year; or

2. Potential productivity measure defined as the potential total real value of output divided by the total forecasted employment.

(4) Productivity trends of a business shall be evaluated by comparing the annual rate of change in the productivity measure for an individual business to the annual rate of change in productivity measure for businesses engaged in a similar economic activity. The recommended source for industry productivity measures is the rate of change in industry labor productivity indexes published by the U. S. Bureau of Labor Statistics.

The Committee Substitute to **HB 681** is as follows:

HB 681, AN ACT relating to the Kentucky Development Finance Authority.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 154.005 TO 154.180 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky Development Finance Authority, or its successor, shall develop, pursuant to KRS 154.005 to 154.180, criteria which may be used by the authority in considering the requests by industrial entities for financial assistance for proposed industrial development projects. The authority, or its successor, may develop criteria which shall include, but not be limited to, potential productivity gains due to the funding of the proposed technological investment.

(2) In developing criteria as prescribed in subsection (1) of this section, the authority shall consider the following:

(a) For existing firms, past productivity trends and potential productivity gains due to the funding of technological investments; and

(b) For new firms, the degree to which the proposed technological investment will be expected to cause the firm's productivity to be higher than the average for firms in the industry it represents.

(3) When considering productivity gains, the authority shall consider the following:

(a) 1. Total real value of output defined as the total sales in real dollars in the calendar year adjusted by the producer price index for the standard industrial classification of that business; or

2. Potential total real value of output defined as the forecasted total sales in real dollars as measured in the current period; and

(b) 1. Productivity measure defined as the total real value of output for a calendar year divided by total employment for that calendar year; or

2. Potential productivity measure defined as the potential total real value of output divided by the total forecasted employment.

(4) Productivity trends of a business shall be evaluated by comparing the annual rate of change in the productivity measure for an individual business to the annual rate of change in productivity measure for businesses engaged in a similar economic activity. The recommended source for industry productivity measures is the rate of change in industry labor productivity indexes published by the U. S. Bureau of Labor Statistics.

HB 726, AN ACT relating to enterprise zones.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 154.670 is amended to read as follows:

(1) In addition to the ***ten (10)*** [~~seven (7)~~] existing state enterprise zones, the authority may designate ***two (2)*** [~~three (3)~~] additional state enterprise zones by December 31, ***1994*** [~~1988~~]. In deciding which areas should be designated as enterprise zones the authority shall give preference to:

(a) Areas with the highest levels of poverty, unemployment, and general distress;

(b) Areas which have the widest support from the government seeking designation, the community, residents, local business and private organizations; and

(c) Areas for which the government seeking designation has made or will make the greatest effort to encourage economic activity and remove impediments to job creation including but not limited to a reduction of tax rates or fees, an increase in the level or efficiency of local services and a simplification or streamlining of governmental requirements on employers or employees, taking into account the resources available to such government to make such efforts.

(2) Any designation of an area as an enterprise zone shall remain in effect during the period beginning on the date of designation and ending on December 31 of the twentieth year following designation.

(3) The authority may remove designation of any area as an enterprise zone if ***the*** [~~such~~] area no longer meets the criteria for designation as set out in KRS 154.660 to 154.705 or by regulation adopted by the authority pursuant to KRS 154.660 to 154.705, provided that no designation shall be removed less than ten (10) years from the date of original designation. If the authority removes the designation of any area as an enterprise zone pursuant to this subsection, the qualified businesses within the area shall retain certification and shall remain eligible to receive tax exemptions pursuant to KRS 154.690 until December 31 of the twentieth year from the date of the original designation of the area as an enterprise zone.

HB 738, AN ACT relating to economic development.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 154B IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 19 of this Act, unless the context otherwise requires:

(1) "Area" or "region" means the geographical area represented by the West Kentucky Corporation, including all the following counties: Allen, Ballard, Barren, Breckinridge, Butler, Caldwell, Calloway, Carlisle, Christian, Crittenden, Daviess, Edmonson, Fulton, Graves, Grayson, Hancock, Hardin, Hart, Henderson, Hickman, Hopkins, Larue, Livingston, Logan, Lyon, Marion, Marshall, McCracken, McLean, Meade, Metcalfe, Monroe, Muhlenberg, Nelson, Ohio, Simpson, Todd, Trigg, Union, Warren, Washington, Webster;

(2) "Board" means the board of directors of the corporation;

(3) "Bonds" or "notes" means revenue bonds, commercial paper revenue bonds, refunding revenue bonds, variable rate revenue bonds, bond anticipation notes, or other obligations issued by the corporation under the authority of Sections 6 and 10 of this Act;

(4) "Committee" means the executive committee of the board of directors of the corporation, possessing all powers, duties, and responsibilities as provided in Sections 6 and 7 of this Act, and as may be otherwise provided by the board;

(5) "Commonwealth" means the Commonwealth of Kentucky;

(6) "Corporation" means the West Kentucky Corporation;

(7) "Executive officer" or "president" means the chief administrator of the corporation having responsibility for its day-to-day operations, and possessing all duties, responsibilities, and authorities as specified by the board or executive committee;

(8) "Fund" means the West Kentucky economic development fund as provided by Section 8 of this Act;

(9) "Local governing body" means the fiscal court of any county within the area or the legislative body of any city represented on the board of the corporation; and

(10). "Project" means any economic or job development activity or program or facility or undertaking located within the area which is planned, developed, implemented, operated, financed, or otherwise assisted by the corporation pursuant to Sections 1 to 19 of this Act.

SECTION 2. A NEW SECTION OF KRS CHAPTER 154B IS CREATED TO READ AS FOLLOWS:

(1) The West Kentucky Corporation is hereby created and established as an independent, de jure municipal corporation and political subdivision of the Commonwealth which shall be a public body corporate and politic, and shall be deemed a public agency within the meaning of KRS 61.805 and 61.870.

(2) The corporation is created and established to exercise and to perform those functions and activities as specified in Sections 1 to 19 of this Act for the purpose of improving the economic well-being of the people of the region, and otherwise promote and enhance the health and welfare of the people of the region by developing or assisting in projects aimed at creating new job opportunities and to assist existing regional industries or businesses in expanding employment opportunities within the region.

(3) Upon the effective date of this Act, and until October 1, 1992, the board of directors of the corporation shall consist of twenty-one (21) persons appointed by the Governor of the Commonwealth of Kentucky. These appointments shall be terminated on October 1, 1992, at which time and thereafter the corporation's board of directors shall be comprised as specified in Section 4 of this Act.

(4) The interim board of directors as specified in subsection (3) of this section shall be authorized to elect a temporary chairman, vice chairman, secretary, and treasurer, to prepare bylaws, and to conduct any business necessary to the establishment and organization of the corporation. The interim board shall not be authorized to issue bonds or to initiate any project which shall obligate current or future funds and resources of the corporation.

SECTION 3. A NEW SECTION OF KRS CHAPTER 154B IS CREATED TO READ AS FOLLOWS:

(1) Effective October 1, 1992, any member county and city as specified in subsection (2) of this section shall be provided membership on the board of directors of the corporation pursuant to Section 4 of this Act.

(2) Any county within the region and any city of the largest class within any county within the region shall become a member of the corporation when the governing body of the county or of the city approves by resolution the county's or city's participation in the corporation.

SECTION 4. A NEW SECTION OF KRS CHAPTER 154B IS CREATED TO READ AS FOLLOWS:

(1) The corporation shall be governed by a board of directors whose membership shall consist of the following:

(a) The county judge/executive, or his designee, of each county participating in the corporation, pursuant to Section 3 of this Act;

(b) The mayor, or his designee, of each city participating in the corporation, pursuant to Section 3 of this Act;

(c) Three (3) persons appointed by the Governor, one from each area development district comprising the corporation's jurisdiction;

(d) One (1) member from each area development district contained within the region, who shall be appointed by the board of directors of the area development district; and

(e) At large citizen members in a number to be determined by the board, including, but not limited to, representatives of business, industry, banking, education, labor, private industry councils, chambers of commerce, and industrial development authorities. No at large membership shall be given to any elected public official, and the total at large citizen membership on the board shall not exceed the aggregate of those members as specified in paragraphs (a), (b), (c), and (d) of this subsection. Appointment of at large citizen members shall be made by a majority of those members seated on the board.

(2) The terms of office on the board of each mayor and county judge/executive shall be the same as their official tenure in office; the term of office for those persons appointed by the Governor shall be the same as the Governor's tenure in office; and the term of office for all other members appointed to the board pursuant to paragraphs (d) and (e) of subsection (1) of this section shall be four (4) years, but the term of office of all members first appointed shall be staggered so that a proportionate number serve one (1), two (2), three (3), and four (4) years respectively.

(3) When a vacancy occurs in a seat held by a gubernatorial appointee, the Governor shall fill the vacancy within sixty (60) days from the date the vacancy first occurs. If the Governor fails to act within the specified time, then the chairman of the board may fill the vacancy upon confirmation by a majority of the members of the executive committee.

(4) When a vacancy occurs on the board in a seat held by a representative of an area development district, the appointing authority shall fill the vacancy within sixty (60) days from the date the vacancy first occurs. If the appointing authority fails to act within the specified time, the chairman of the board may fill the vacancy upon confirmation by a majority of the members of the executive committee.

(5) When a vacancy occurs on the board in a seat held by an at large citizen member, then the board shall fill the vacancy. If vacancy is not filled within sixty (60) days from the date the vacancy occurs then the executive committee shall temporarily fill the vacancy until the board acts.

(6) Vacancies of all elected local officials seated on the board shall be filled in the manner as prescribed for their respective appointment.

(7) Vacancies on the board or the executive committee shall not be counted for purposes of a quorum.

(8) All powers and authorities granted to the corporation shall be vested in the board of directors, except as otherwise stated.

SECTION 5. A NEW SECTION OF KRS CHAPTER 154B IS CREATED TO READ AS FOLLOWS:

(1) Any member of the board as provided in subsection (1)(c), (d), and (e) of Section 4 of this Act may be removed by the appropriate appointing authority upon the recommendation of the board for inefficiency, neglect of duty, malfeasance, misfeasance, or conflict of interest. When a member is removed, the reasons for removal shall be set forth in writing and shall be read at the next meeting of the board.

(2) Meetings of the board shall be open to the general public, and subject to the provisions of the state open records laws as prescribed in KRS 61.805 to 61.850, and shall be held at least annually, and called in the manner as specified in the corporation's bylaws. Special meetings of the board may be held on call of the chairman, who shall give written notice to all members at least seven (7) days prior to the meeting, and shall contain the date, time, and place, and the subjects that shall be discussed.

(3) The board shall adopt bylaws and rules pertaining to operation of the corporation and shall keep minutes and records of all proceedings which shall be filed in the offices of the corporation.

(4) A simple majority of the total membership of the board shall constitute a quorum. Any member who has a direct personal or pecuniary interest in the outcome of any question before the board shall disclose the nature of the interest, and shall disqualify himself from voting on the question, and he shall not be counted for the purpose of a quorum. A simple majority of all members present where there is a properly constituted quorum shall be necessary to transact any official business, except that a vote of a simple majority of the total membership shall be necessary to adopt or amend the corporation's bylaws or articles of agreement. A quorum need not be present to adjourn a meeting of the board.

(5) The board shall annually elect a chairman and any other officer which it deems necessary and which are specified in the corporation's bylaws. Each officer shall be eligible for reelection at the expiration of this term. All officers of the board shall serve on the board's executive committee as specified in Section 7 of this Act.

SECTION 6. A NEW SECTION OF KRS CHAPTER 154B IS CREATED TO READ AS FOLLOWS:

The corporation shall have all powers and authority necessary to carry out and effectuate the purposes and provisions of Sections 1 to 19 of this Act, including, but not limited to:

(1) Have a common seal which may be altered at will;

(2) Sue and be sued, and complain and defend in its corporate name;

(3) Adopt bylaws and make rules for its business;

(4) Make and enter into all contracts or agreements necessary or incidental to the performance of its duties, and execution of its powers under Section 1 to 19 of this Act, including, but not limited to, contracting with other agencies for the performance of its functions, and contracting with the Cabinet for Economic Development, or its successor, in the performance of specific state economic development functions and activities;

(5) Accept, receive, and administer loans, grants, appropriations, or other funds or gifts from both public and private sources, including, but not limited to, local governments, the Commonwealth of Kentucky, and federal agencies for the purpose of carrying out the purposes and functions of the corporation, and to make loans and grants as provided in Section 8 of this Act;

(6) Expend funds as may be considered by it to be advisable or necessary in the performance of its duties;

(7) Issue bonds and bond anticipation notes or other obligations payable from the revenues, rentals, and other funds made available to the corporation for the purposes of paying any part of the costs of any project, and to refund any of its bonds;

(8) Create and establish a ''debt service reserve'' pursuant to proceedings and trust indenture of the corporation;

(9) Acquire, hold as may be necessary and convenient, encumber, or dispose of real and personal property, in the manner and under terms as provided by contract or agreement;

(10) Charge fees, rents, and otherwise charge for services and facilities provided by the corporation, except that the corporation shall not have the power to levy taxes;

(11) Employ consultants, engineers, attorneys, real estate counselors, appraisers, and other persons and employees as may be required in the judgment of the corporation, and to pay and fix their compensation from funds available to the corporation;

(12) Designate official depositories for corporation funds, but any deposit of the corporation in excess of that amount covered by federal deposit insurance shall be secured by sufficient collateral;

(13) Invest any funds held in reserve or in a sinking fund account or any other moneys not required for immediate disbursement in obligations guaranteed by the Commonwealth, the United States, or their agencies or instrumentalities, but the return on the investments shall not violate any rulings of the United States Internal Revenue Service regarding investments of the proceeds of federally tax-exempt bond issues;

(14) Procure insurance against any loss in connection with its operations in amounts, and from insurers, as deemed necessary and appropriate;

(15) Provide technical, administrative, managerial, and advisory services to any local government, industrial development authority, economic development entity, area development district, and any other economic development or job development entity situated in whole or in part within the region, regarding any economic or job development project, program, or activity; and

(16) Perform any other acts necessary to carry out the corporation's functions and purposes as explicitly stated or implied by Sections 1 to 19 of this Act.

SECTION 7. A NEW SECTION OF KRS CHAPTER 154B IS CREATED TO READ AS FOLLOWS:

(1) When the board of directors is not meeting, all powers and authorities granted to the corporation shall be vested in the corporation's executive committee, which shall be composed of the following members:

(a) The chairman of the board of directors and all other officers of the board as the board may specify in the corporation's bylaws;

(b) The three (3) gubernatorial appointees to the board as specified in Section 4 of this Act.

(c) Seven (7) locally elected officials represented on the board, four (4) of whom shall be county judges/executive and three (3) of whom shall be mayors; and

(d) Seven (7) at large members on the board.

(2) The executive committee may be authorized by the board to hire and fire the corporation's president, and to set his salary and benefits, and to authorize the president to hire other employees of the corporation and to set their respective salaries and benefits, however, confirmation by the board of the appointment of the president shall be required.

(3) No funds of the corporation shall be obligated or expended until their obligation and expenditure have been authorized by the board or the executive committee.

(4) The executive committee shall meet at least quarterly and at other times as the chairman or a majority of the executive committee require. All meetings of the executive committee shall be open to the general public and a written record of all proceedings and transactions shall be maintained and available for public inspection in accordance with applicable state laws. A simple majority of the total membership of the executive committee shall constitute a quorum. It shall be necessary for a properly constituted quorum to be present before transacting any official business, except that a quorum need not be present for adjournment.

(5) A simple majority of the total membership of the executive committee, excluding any vacancy, shall be required before the committee may borrow funds to make loans, enter into contracts or agreements, issue and sell bonds on behalf of the corporation, hire or fire the president or any other persons as consultants, and obligate, transfer, or otherwise encumber or dispose of the corporation's funds or assets.

(6) The executive committee shall not be authorized to amend the bylaws or other rules adopted by the board or recommend removal of board members or elect officers of the board as provided in Section 5 of this Act.

(7) When any member of the executive committee as provided in subsection (7)(b), (c), and (d) of Section 7 of this Act is absent without excuse from three (3) or more consecutive committee meetings, he shall be automatically removed from the committee, and his position on the committee shall be declared vacant and shall be filled in the manner as provided for the membership classification which the vacancy represents.

(8) The day-to-day administration and management of the corporation shall be invested in the corporation's president, who shall have powers, duties, and authorities granted to him by the board.

(9) Members of the executive committee may be reimbursed for their actual travel expenses while on official corporation business in accordance with the methods for reimbursement as established by the board.

SECTION 8. A NEW SECTION OF KRS CHAPTER 154B IS CREATED TO READ AS FOLLOWS:

(1) The "West Kentucky Economic Development Fund" is created and established to be administered by the corporation as a trust fund separate and distinct from all other moneys, funds, and assets administered by the corporation.

(2) The fund shall be comprised of, and the corporation is hereby authorized to receive and accept for this fund, the proceeds of grants, contributions, state appropriations, repayment of loans made from the funds, and any other moneys which may be made available to the corporation for the purposes of the fund from any other source.

(3) The purpose of this fund is to provide a source from which the corporation may make loans, grants, and investments, and the corporation is authorized to make loans, grants, and investments from this fund at interest rates and for terms determined by the corporation's executive committee, with security for repayment as the executive committee deems necessary and reasonable.

(4) The proceeds of any loan shall be used solely for the purposes for which the loan is made as provided in the loan agreement, but no moneys from this fund shall be used to carry on propaganda or otherwise used to influence legislation.

(5) Any loan made from this fund shall be consistent with, and supportive of, the corporation's strategic planning initiatives.

SECTION 9. A NEW SECTION OF KRS CHAPTER 154B IS CREATED TO READ AS FOLLOWS:

(1) Nothing contained in Sections 1 to 19 of this Act shall be construed or interpreted as precluding the corporation from jointly participating with any person in the funding of any project within the region.

(2) Nothing contained in Sections 1 to 19 of this Act shall be construed or interpreted as authorizing the corporation to engage in the business of banking.

SECTION 10. A NEW SECTION OF KRS CHAPTER 154B IS CREATED TO READ AS FOLLOWS:

The corporation shall be authorized to borrow money and to issue bonds and notes to carry out the corporation's purposes and functions. All bonds issued by the corporation shall be in a manner as prescribed by KRS 65.270, however, no other requirements of KRS 65.210 to 65.300 shall apply. The corporation may issue bonds and notes bearing interest rates not to exceed the market rate at the time of issue, KRS 65.270(3) and (6) notwithstanding.

SECTION 11. A NEW SECTION OF KRS 154B IS CREATED TO READ AS FOLLOWS:

(1) Obligations issued under the provisions of Sections 1 to 19 of this Act shall not be deemed to constitute a debt, liability or obligation of the state or of any of its political subdivisions, or a pledge of the faith and credit of the state or of any of its political subdivisions, but shall be payable solely from the revenue or assets of the corporation. Each obligation issued under Sections 1 to 19 of this Act shall contain on its face a statement that the corporation shall not be obligated to pay the obligation nor the interest thereon except from the revenues or assets pledged therefor, and that neither the faith and credit nor the taxing power of the state or of any of its political subdivisions is pledged to the payment of the principal of or the interest on the obligation.

(2) Expenses incurred by the corporation in carrying out the provisions of Sections 1 to 19 of this Act may be made payable from funds made available to the corporation, and no liability shall be incurred by the corporation hereunder beyond the extent to which moneys shall have been so provided.

SECTION 12. A NEW SECTION OF KRS CHAPTER 154B IS CREATED TO READ AS FOLLOWS:

Notwithstanding any of the provisions of Sections 1 to 19 of this Act or any recitals in any obligations issued under the provisions of Sections 10 to 16 of this Act, all obligations and interest coupons pertaining shall be negotiable instruments under the laws of this state, subject only to any applicable provisions for registration.

SECTION 13. A NEW SECTION OF KRS CHAPTER 154B IS CREATED TO READ AS FOLLOWS:

Obligations issued under the provisions of Sections 10 to 16 of this Act are hereby made securities in which all public officers and public bodies of the Commonwealth and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees, and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Such obligations are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the Commonwealth for any purpose for which the deposit of bonds, notes or obligations of the state is now or may hereafter be authorized by law.

SECTION 14. A NEW SECTION OF KRS CHAPTER 154B IS CREATED TO READ AS FOLLOWS:

No member or other officer of the corporation shall be subject to any personal liability or accountability by reason of his execution of any obligations or the issuance thereof.

SECTION 15. A NEW SECTION OF KRS CHAPTER 154B IS CREATED TO READ AS FOLLOWS:

The corporation has been duly created as a de jure municipal corporation and political subdivision of the Commonwealth of Kentucky. Accordingly, the corporation shall not be required to pay any taxes and assessments to the Commonwealth of Kentucky, or any county, municipality, or other governmental subdivision of the Commonwealth of Kentucky, upon any of its property or upon its obligations or other evidences of indebtedness pursuant to the provisions of Sections 1 to 19 of this Act, or upon any moneys, funds, revenues or other income held or received by the corporation. The notes and bonds of the corporation and the income therefrom shall at all times be exempt from taxation, except for death and gift taxes and taxes of transfers. Real property owned by the corporation shall be exempt from all property taxation and special assessments of the state or political subdivisions thereof.

SECTION 16. A NEW SECTION OF KRS CHAPTER 154B IS CREATED TO READ AS FOLLOWS:

If any member, officer, or employee of the corporation shall be interested either directly or indirectly, or shall be an officer or employee of or have an ownership interest in any firm or corporation interested

directly or indirectly in any contract with the corporation, including any loan to any sponsor, builder, or developer, the interest shall be disclosed to the corporation and shall be set forth in the minutes of the corporation, and the member, officer, or employee having an interest herein shall not participate on behalf of the corporation in the authorization of the contract.

SECTION 17. A NEW SECTION OF KRS CHAPTER 154B IS CREATED TO READ AS FOLLOWS:

Upon termination or dissolution, all rights and properties of the corporation shall pass to and be vested in the Commonwealth of Kentucky, subject to the rights of lienholders and other creditors, unless the board or executive committee directs at such times that they be distributed among one or more corporations, trusts, community chests, funds, or foundations organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder, member, or individual and no substantial part of whose activities consists of carrying on propaganda, or otherwise attempting to influence legislation.

SECTION 18. A NEW SECTION OF KRS CHAPTER 154B IS CREATED TO READ AS FOLLOWS:

The corporation shall, promptly following the close of each fiscal year, submit an annual report of its activities for the preceding year to the Governor, the General Assembly, and every local government represented on the board. Such reports shall set forth a complete operating and financial statement of the corporation during the year. The corporation also shall cause an annual audit to be made by an independent certified public accountant of its books, accounts, and records, with respect to its receipts, disbursements, contracts, mortgages, leases, assignments, loans, and all other matters relating to its financial operations. Copies of the audit shall be distributed to all members of the board, the Governor, and the Kentucky Legislative Research Commission and shall be made generally available to the public for inspection.

SECTION 19. A NEW SECTION OF KRS CHAPTER 154B IS CREATED TO READ AS FOLLOWS:

Sections 1 to 19 may be cited as the "West Kentucky Economic Revitalization Act."

Calendar

HB 666, **HB 433**, **HB 497**, **HB 597**, **HB 613**, **HB 551**, **HB 569**, **HB 700**, **HB 521**, **HB 526**, **SB 161**, **HB 44**, **HB 115**, **HB 416**, **HB 481**, **HB 484**, **HB 703**, **SB 117** and **SB 119** taken from the Calendar and ordered read at length for the second time. Representative Stumbo moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Consent Calendar

HB 555 and **HB 656** taen from the Consent Calendar and ordered read at length for the second time. Representative Stumbo moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Recess

Representative Stumbo moved that the House recess for five minutes for a meeting of the Committee on Rules. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Representative Stumbo moved that the rules be suspended for a report of the Committee on Rules. Agreed.

Report of Committees

The Committee on Rules reported that the following Consent Bills have been posted for passage in the Regular Orders of the Day for March 6, 1992: **HB 555, HB 656.**

The Committee on Rules reported that **HB 485, HB 44, HB 115, HB 416, HB 433, HB 481, HB 484, HB 497, HB 521, HB 526, HB 551, HB 569, HB 597, HB 613, HB 666, HB 700, HB 703, SB 117, SB 119, SB 161** and **HB 361** have been posted for passage in the Orders of the Day for March 6, 1992.

The Committee on Rules reported that the following Resolutions have been recommitted:

Appropriations and Revenue: **HJR 85, HJR 86, HJR 87**

Orders of the Day

HB 112, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Riggs moved the adoption of the Committee Substitute to **HB 112**. Agreed.

Representative Riggs moved that **HB 112**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 67, Nays 22. (See March 4, 1992 roll call on **HB 112** - Appendix.)

HB 112, by way of Committee Substitute, was passed and the title agreed to.

Representative Riggs moved that the vote by which **HB 112**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HJR 90 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hourigan moved that **HJR 90** be adopted.

On the roll call the vote was: Yeas 92, Nays 0. (See March 4, 1992 roll call on **HJR 90** - Appendix.)

HJR 90 was adopted.

Representative Hourigan moved that the vote by which **HJR 90** was adopted be reconsidered and said motion be placed on the table. Agreed.

HB 141 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hancock moved that **HB 141** be passed.

On the roll call the vote was: Yeas 96, Nays 0. (See March 4, 1992 roll call on **HB 141** - Appendix.)

HB 141 was passed and the title agreed to.

Representative Hancock moved that the vote by which **HB 141** was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

HB 3, HB 159, HB 176, HB 232 and **HB 399** were delivered to the Senate and signed by the President. Delivered to the Governor on March 4, 1992 at 2:23 p.m.

Floor Amendments

Floor Amendment No. 1 to the Committee Substitute to **HB 416**, by Representative Riggs:

Amend printed copy of **HB 416/HCS** as follows:

On page 1, line 11, after the word "***procedure,***" by deleting the words "***a registered***" by deleting lines 12 and 13 in their entirety, and by inserting in lieu thereof the following:

"***a person who is certified in first aid by the American Red Cross or the National Safety Council.***"

Orders of the Day (Continued)

HB 534 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative P. Clark moved that **HB 534** be passed.

On the roll call the vote was: Yeas 98, Nays 0. (See March 4, 1992 roll call on **HB 534** - Appendix.)

HB 534 was passed and the title agreed to.

Representative P. Clark moved that the vote by which **HB 534** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 55, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Johnson moved the adoption of Floor Amendment No. 1 to **SB 55**. Agreed.

Representative Johnson moved that **SB 55**, as amended, be passed.

On the roll call the vote was: Yeas 100, Nays 0. (See March 4, 1992 roll call on **SB 55** - Appendix.)

SB 55, as amended, was passed.

Representative Johnson moved the adoption of Floor Title Amendment to **SB 55**. Agreed; and the title was agreed to.

Representative Johnson moved that the vote by which **SB 55**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 455, with Committee Substitute and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cyrus moved the adoption of the Committee Substitute to **HB 455**. Agreed.

Representative Cyrus moved the adoption of Floor Amendment No. 1 to the Committee Substitute to **HB 455**. Agreed.

Representative Cyrus moved the adoption of Floor Amendment No. 2 to the Committee Substitute to **HB 455**. Agreed.

Representative Reinhardt moved the adoption of Floor Amendment No. 3 to the Committee Substitute to **HB 455**. Agreed.

Representative Cyrus moved that **HB 455**, by way of Committee Substitute as amended, be passed.

On the roll call the vote was: Yeas 62, Nays 33. (See March 4, 1992 roll call on **HB 455** - Appendix.)

HB 455, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Cyrus moved that the vote by which **HB 455**, by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Floor Amendments (Continued)

Floor Amendment No. 1 to **HB 511**, by Representative Moberly:

Amend printed copy of **HB 511** as follows:

On page 1, line 13, after the word "materials" by adding the following:

"***, and machinery used exclusively to wash and sterilize refillable containers***"; and

On page 2, line 1, after the word "materials" by adding the following:

"***or for reusing containers***".

Floor Amendment No. 2 to **HB 511**, by Representative Moberly:

Amend printed copy of **HB 511** as follows:

On page 3, after line 16, by inserting the following:

"Section 2. KRS 152.045 is amended to read as follows:

(1) The Kentucky Recycling Brokerage Authority, referred to in this section as the "authority," is created by this section to further local governments' efforts to develop reliable markets for their recyclables. The authority shall be composed of seventeen (17) members as follows:

(a) The secretary of the Economic Development Cabinet, who shall serve as chairman;

(b) The secretaries of the Finance and Administration and Natural Resources and Environmental Protection Cabinets, and the commissioner of the Department of Local Government; and

(c) Thirteen (13) members appointed by the Governor including representatives of municipal and county governments; legislators; citizens representing environmental interests; and industry representatives.

(2) These seventeen (17) persons and their successors in office shall constitute the Kentucky Recycling Brokerage Authority, a public corporation, with perpetual succession and with power in that name to contract and be contracted with, to convey property, to sue and be sued, and to exercise, in addition to the powers and functions conferred by this section, all of the usual powers of corporations not inconsistent with specifically enumerated powers.

(3) The members of the authority shall receive no compensation for their services, but shall be entitled to reimbursement for all reasonable expenses necessarily incurred in connection with performance of their duties and function as members.

(4) Nine (9) members of the authority shall constitute a quorum for the transaction of business. The Economic Development Cabinet shall provide staff services to the authority. The authority shall establish and maintain complete records of the authority's action and proceedings, which shall be public records open to inspection.

(5) On or before July 1, 1991, the Governor shall appoint thirteen (13) members of the authority as follows: five (5) shall serve terms ending July 1, 1995; four (4) shall serve terms ending July 1, 1994; and four (4) shall serve terms ending July 1, 1993. As the terms of each group of members expire, the Governor shall appoint successors for terms of four (4) years and until their successors are appointed.

(6) The authority, with staff assistance from the Economic Development Cabinet, shall act as a state broker for local governments seeking to sell recyclable materials. The authority shall:

(a) Identify local, state, and interstate markets for recyclables;

(b) Issue requests for proposals as well as directly contact potential buyers;

(c) Negotiate contracts with potential buyers on behalf of participating local governments or local groups;

(d) Arrange details of contracts including price collection schedules, reimbursements, and quality assurance provisions;

(e) Conduct workshops and seminars throughout the state to train recycling center and solid waste facility operators on how to prepare and process materials that will be marketed through the brokerage office;

(f) Issue routine market bulletins containing pricing information and other program details to all local governments, both those participating as well as nonparticipants; [~~and~~]

(g) Handle all paperwork for the brokering service including contracts, invoices, weigh slips, and records of collections and issue revenue checks to participants***; and***

(h) Initiate and support efforts to work with nearby states to develop regional markets for recyclable materials.

(7) Local governments participating in the Kentucky Recycling Brokerage Authority shall be assessed a brokerage fee of fifteen percent (15%) of the sale revenue or two dollars ($2) per ton of recyclables sold, whichever is greater.

(8) In addition to any brokerage fees received, the authority may receive and accept from any governmental agency, nonprofit organization, or from private enterprise appropriations, grants or contributions of money, property, labor, or other things of value, to be used to carry out the functions of the authority.

(9) ***All state agencies shall, where practicable, enter into memoranda of agreement with the authority to make storage space available on state properties. The authority shall use the space for regional storage and pickup of recyclable materials.***

(10) The authority shall annually issue financial and informational reports to the General Assembly which shall contain full descriptions of tonnage volumes handled, revenues generated, contracts entered into, market summaries and reviews, and other information under which a full review of the brokerage program is possible. The report shall be due on July 1 of each year.

(11)[~~(10)~~] The authority shall also include in its July 1, 1993 annual report to the General Assembly the following:

(a) A description and analysis of the Commonwealth's existing recycling industry, the types, and estimated amounts of recovered material being separated or reprocessed;

(b) An analysis of the projected long-term capacity of existing markets to absorb materials generated by materials recovery or recycling programs;

(c) An analysis of potential markets in the Commonwealth, in other states, or in foreign countries for recovered material or products manufactured using recovered material from this Commonwealth;

(d) An analysis of institutional, economic, and technical barriers to the use of recovered material or products manufactured using recovered materials;

(e) Recommendations for actions which may be taken to increase demand for recovered materials or products;

(f) Recommendations for actions which may be taken to increase the incentives for private individuals and for business and industry to recover materials;

(g) Recommendations on categories of materials which should be recovered in this Commonwealth, given existing and potential markets for such materials;

(h) Recommendations for a public education program to be implemented by the Natural Resources and Environmental Protection Cabinet and the Environmental Council to provide information to the public and to business and industry on the benefits of materials recovery and recycling and on the availability of those materials or products; and

(i) A review of state and local government procurement policies and recommendations for actions which might be taken to encourage waste reduction and recycling.

(12)[~~(11)~~] In subsequent years the authority shall include in its annual report the following:

(a) Any revisions which the authority determines are necessary to its initial report;

(b) An analysis of changes that have occurred with markets for recovered material and products manufactured using recovered material since the last report; and

(c) Any other recommendations to facilitate the development of markets for recovered material and products manufactured using recovered material in this Commonwealth."

Floor Amendment No. 2 to **HB 516**, by Representative Lear:

Amend printed copy of **HB 516** as follows:

On page 1, line 3, before "***The***" by inserting "***(1)***"; and

On page 1, after line 12, by inserting "***(2) This section shall not apply to nonpartisan primaries conducted in urban-counties.***".

Floor Amendment No. 1 to **HB 703**, by Representative Sheehan:

Amend printed copy of **HB 703** as follows:

On page 2, line 26 after "***cater***" by inserting "***distilled spirits and wine***".

Floor Amendment No. 1 to the Committee Substitute to **HB 198**, by Representative Bowling:

Amend printed copy of **HB 198/HCS** as follows:

On page 2, line 7, by inserting a "." after the word "***buyer***"; and

On page 2, line 7, by deleting the words "***minus any amount***"; and

On page 2, line 8, by deleting lines 8 through 14 in their entirety.

Floor Amendment No. 1 to the Committee Substitute to **HB 597**, by Representative Mason:

Amend printed copy of **HB 597/HCS** as follows:

On page 1, after line 13 by adding:

"SECTION 2. A NEW SECTION OF SUBTITLE 12 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

The provisions of the Sherman Act, 15 U.S.C.A. Section 1 et. seq., the Clayton Act, 15 U.S.C.A. Section 12 et. seq., and the Federal Trade Commission Act, 15 U.S.C.A. Section 41 et.seq. shall be applicable to the business of insurance in the Commonwealth of Kentucky."

Floor Amendment No. 1 to **HB 497**, by Representative Hatcher:

Amend printed copy of **HB 497** as follows:

On page 1, after line 15 and before line 16, by inserting:

"***(2) Penalties under subsection (1) of this section for the first offense are subject to conditional discharge, suspension, or other forms of reduction of penalty by judicial discretion upon production of proof of security.***"; and

On page 1, line 16, by deleting "***(2)***" and inserting in lieu thereof "***(3) For the second and each subsequent offense,***";and

On page 2, line 1, by deleting "***(3)***" and inserting in lieu thereof "***(4)***"; and

On page 2, line 7, by deleting "***(4)***" an inserting in lieu thereof "***(5)***"; and

On page 2, line 10, by deleting "***(5)***" and inserting in lieu thereof "***(6)***"; and

On page 2, line 14, by deleting "***(6)***" and inserting in lieu thereof "***(7)***"; and

On page 2, line 14, by deleting "***(3)***" and inserting in lieu thereof "***(4)***"; and

On page 2, line 17, by deleting "***(2)***" and inserting in lieu thereof "***(3)***".

Orders of the Day (Continued)

HB 516, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Richards moved the adoption of Floor Amendment No. 1 to **HB 516**.

On the roll call the vote was yeas 57—Adkins, Altman, Ark, Arnold, Ballard, Bentley, Blandford, Bowling, Bruce, Butler, Callahan, Castleman, Clarke, Coleman, Collins, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Freibert, Gedling, Geveden, Gray, Gregory, Hancock, Hatcher, Jones, Kerr, Lewis, Little, Lyne, Maggard, McElroy, Moberly, Morris, Nelson, Overstreet, Palumbo, Pritchett, Rapier, Ravenscraft, Richards, Ridley, Sanders, Scorsone, Sheehan, B. Smith, R. Smith, Stumbo, Todd, Ward, Wayne, Williams, Worthington, Yates, Zimmerman. Nays 30—Ackerson, Allen, Barrows, Burch, L. Clark, Farrow, Gee, J. Harper, Heleringer, Jensen, Johnson, Keith, Lear, LeMaster, Lile, Long, Mack, Mason, Mullinix, Noe, Noland, Northup, Nunn, Reinhardt, Richardson, Riggs, T. Smith, Toby, Turner, Walker.

Floor Amendment No. 1 to **HB 516** was adopted.

Representative Richards moved that **HB 516**, as amended, be passed.

On the roll call the vote was: Yeas 68, Nays 22. (See March 4, 1992 roll call on **HB 516** - Appendix.)

HB 516, as amended, was passed.

Representative Richards moved the adoption of Floor Title Amendment to **HB 516**. Agreed; and the title was agreed to.

Representative Richards moved that the vote by which **HB 516**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported that **HB 82**, **HB 271**, **HB 331** and **HB 310** have been examined and found correctly enrolled. Said Bills were read at length, compared and signed in open session by the Speaker, and ordered delivered to the Senate. (Time - 3:16 p.m)

HB 82, **HB 271**, **HB 331** and **HB 310** were delivered to the Senate and signed by the President. Delivered to the Governor on March 4, 1992 at 3:39 p.m.

Orders of the Day (Continued)

HB 610, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Richards moved the adoption of Floor Amendment No. 1 to **HB 610**. Agreed.

Representative Richards moved that **HB 610**, as amended, be passed.

On the roll call the vote was: Yeas 99, Nays 0. (See March 4, 1992 roll call on **HB 610** - Appendix.)

HB 610, as amended, was passed and the title agreed to.

Representative Richards moved that the vote by which **HB 610**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 606, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Donnermeyer moved the adoption of Committee Amendment No. 1 to **HB 606**. Agreed.

Representative Donnermeyer moved that **HB 606**, as amended, be passed.

On the roll call the vote was: Yeas 87, Nays 2. (See March 4, 1992 roll call on **HB 606** - Appendix.)

HB 606, as amended, was passed and the title agreed to.

Representative Donnermeyer moved that the vote by which **HB 606**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 211, with Committee Substitute and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burch moved the adoption of the Committee Substitute to **SB 211**. Agreed.

Representative Richards moved the adoption of Floor Amendment No. 1 to the Committee Substitute to **SB 211**. Agreed.

Representative Burch moved that **SB 211**, by way of Committee Substitute as amended, be passed.

On the roll call the vote was: Yeas 94, Nays 0. (See March 4, 1992 roll call on **SB 211** - Appendix.)

SB 211, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Burch moved that the vote by which **SB 211**, by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 353 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cyrus moved that **HB 353** be passed.

On the roll call the vote was: Yeas 93, Nays 1. (See March 4, 1992 roll call on **HB 353** - Appendix.)

HB 353 was passed and the title agreed to.

Representative Cyrus moved that the vote by which **HB 353** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 333, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative McElroy moved the adoption of the Committee Substitute to **HB 333**. Agreed.

Representative McElroy moved that **HB 333**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 83, Nays 10. (See March 4, 1992 roll call on **HB 333** - Appendix.)

HB 333, by way of Committee Substitute, was passed and the title agreed to.

Representative McElroy moved that the vote by which **HB 333**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 424, with Committee Substitute and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Kerr moved the adoption of the Committee Substitute to **HB 424**. Agreed.

Representative Kerr moved that **HB 424**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 90, Nays 0. (See March 4, 1992 roll call on **HB 424** - Appendix.)

HB 424, by way of Committee Substitute, was passed and the title agreed to.

Representative Kerr moved that the vote by which **HB 424**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 515, with Committee Substitute and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Collins moved the adoption of the Committee Substitute to **HB 515**. Agreed.

Representative Collins moved the adoption of Floor Amendment No. 1 to the Committee Substitute to **HB 515**. Agreed.

Representative Collins moved that **HB 515**, by way of Committee Substitute as amended, be passed.

On the roll call the vote was: Yeas 85, Nays 9. (See March 4, 1992 roll call on **HB 515** - Appendix.)

HB 515, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Collins moved that the vote by which **HB 515**, by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 492, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cyrus moved the adoption of the Committee Substitute to **HB 492**. Agreed.

Representative Cyrus moved that **HB 492**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 93, Nays 1. (See March 4, 1992 roll call on **HB 492** - Appendix.)

HB 492, by way of Committee Substitute, was passed and the title agreed to.

Representative Cyrus moved that the vote by which **HB 492**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 464, with Committee Amendment and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Ford moved the adoption of Committee Amendment No. 1 to **HB 464**. Agreed.

Representative Ford moved that **HB 464**, as amended, be passed.

Representative Overstreet moved the adoption of Floor Amendment No. 1 to **HB 464**.

Representative Ford inquired whether Floor Amendment No. 1 was germane to **HB 464**.

The Speaker ruled Floor Amendment No. 1 was germane to **HB 464**.

On the roll call the vote was yeas 34—Adkins, Allen, Altman, Barrows, Bowling, Brown, Bruce, Collins, Crupper, Curd, Cyrus, Donnermeyer, Farley, Gedling, Geveden, Gray, Hourigan, Keith, Little, Maggard, Mullinix, Nelson, Noe, Nunn, Overstreet, Pritchett, Ravenscraft, Reinhardt, Sanders, T. Smith, Walker, Worthington, Yates, Zimmerman. Nays 54—Ackerson, Ark, Arnold, Bentley, Blandford, Bronger, Burch, Butler, Callahan, Casebier, Castleman, L. Clark, P. Clark, Clarke, Coleman, Farrow, Ford, Freibert, Gee, Gregory, K. Harper, Hatcher, Heleringer, Johnson, Jones, Lear, LeMaster, Lewis, Lile, Long, Lyne, McElroy, Moberly, Napier, Noland, Northup, Palumbo, Rapier, Richards, Richardson, Ridley, Riggs, Riner, Scorsone, Sheehan, B. Smith, Stokes, Strong, Stumbo, Toby, Todd, Turner, Ward, Wayne.

Floor Amendment No. 1 to **HB 464** was rejected.

Representative Ford moved that **HB 464**, as amended, be passed.

On the roll call the vote was: Yeas 39, Nays 53. (See March 4, 1992 roll call on **HB 464** - Appendix.)

HB 464, as amended, was defeated.

Representative Stumbo moved that the vote by which **HB 464**, as amended, was defeated be reconsidered and said motion be placed on the table. Agreed.

HB 537 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Heleringer moved that **HB 537** be passed.

On the roll call the vote was: Yeas 84, Nays 0. (See March 4, 1992 roll call on **HB 537** - Appendix.)

HB 537 was passed and the title agreed to.

Representative Heleringer moved that the vote by which **HB 537** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 624 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Zimmerman moved that **HB 624** be passed.

On the roll call the vote was: Yeas 92, Nays 0. (See March 4, 1992 roll call on **HB 624** - Appendix.)

HB 624 was passed and the title agreed to.

Representative Zimmerman moved that the vote by which **HB 624** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 136, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Amendment No. 1 to **HB 136** is as follows:

Amend printed copy of **HB 136** as follows:

On page 2, line 16, by inserting the word "***Circuit***" before the word "***Court***"; and by deleting the word "***Kentucky Supreme***".

Representative Hancock moved that the House concur in Senate Amendment No. 1 to **HB 136**. Agreed.

Representative Hancock moved that **HB 136**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 94, Nays 1. (See March 4, 1992 roll call on **HB 136** - Appendix.)

HB 136, as amended by the Senate, was passed and the title agreed to.

Representative Hancock moved that the vote by which **HB 136**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 342, with Senate Floor Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Floor Amendment No. 1 to **HB 342** is as follows:

Amend printed copy of **HB 342** as follows:

On page 1, line 14, after "***a***" insert "***vehicle which transports***"; and

On page 1, line 15, delete "***transportation vehicle***".

Representative Brown moved that the House concur in Senate Floor Amendment No. 1 to **HB 342**. Agreed.

Representative Brown moved that **HB 342**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 98, Nays 0. (See March 4, 1992 roll call on **HB 342** - Appendix.)

HB 342, as amended by the Senate, was passed and the title agreed to.

Representative Brown moved that the vote by which **HB 342**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Motions, Petitions and Communications

Representative Stumbo moved that the three day posting requirement be waived on **HB 387**. Agreed.

Representative Stumbo moved that the rules be suspended for Introduction of Bills and Resolutions, Report of Committees, Posting of Bills and Resolutions for Consideration and to allow co-sponsors. Agreed.

Introduction of Bills and Resolutions (Continued)

HB 832, by Representative Donnermeyer: AN ACT relating to overlay districts.

HB 833, by Representatives Cyrus, Long and Crupper: AN ACT relating to local road improvement and making an appropriation therefor.

HB 834, by Representative Heleringer: AN ACT relating to retirement.

HB 835, by Representative Cyrus: AN ACT relating to workers' compensation.

HB 836, by Representative Cyrus: AN ACT relating to workers' compensation insurance.

HB 837, by Representative Heleringer: AN ACT relating to Judicial Retirement.

HB 838, by Representative L. Clark: AN ACT relating to payment to housing contractor.

HB 839, by Representative McElroy: AN ACT relating to solid waste disposal facilities and declaring an emergency.

HB 840, by Representatives Ridley and Pritchett: AN ACT relating to insurance.

HB 841, by Representatives Sheehan and Scorsone: AN ACT relating to the public advocacy system.

HB 842, by Representative Little: AN ACT relating to insurance.

HB 843, by Representative Heleringer: AN ACT relating to judicial retirement.

HB 844, by Representative Deskins: AN ACT relating to oil and gas.

HB 845, by Representative Little: AN ACT relating to school employees and declaring an emergency.

HB 846, by Representatives Lewis and K. Harper: AN ACT relating to inheritance tax.

HB 847, by Representatives Strong and Keith: AN ACT relating to the Kentucky River.

HB 848, by Representative Palumbo: AN ACT relating to teachers retirement.

HB 849, by Representative Noe: AN ACT relating to the PACE program.

HB 850, by Representative Hatcher: AN ACT relating to motor vehicles.

HB 851, by Representatives Lear, Lewis, K. Harper and Freibert: AN ACT relating to a Kentucky State Commission on Reform and Efficiency and making an appropriation therefor.

HB 852, by Representative Ward: AN ACT relating to the abatement of nuisances.

HB 853, by Representative Donnermeyer: AN ACT relating to newspapers.

HB 854, by Representatives Mack and Mason: AN ACT relating to hospitalization of mentally ill persons.

HB 855, by Representative Sheehan: AN ACT proposing amending Section 226 of the Constitution of Kentucky relating to lotteries and gift enterprises.

HB 856, by Representative Ward: AN ACT relating to motor vehicle operators licenses.

HB 857, by Representative Morris: AN ACT relating to voter registration.

HB 858, by Representative Jones: AN ACT relating to administrative hearings.

HB 859, by Representatives Bruce and Morris: AN ACT relating to banking.

HB 860, by Representative Callahan: AN ACT relating to automotive repair.

HB 861, by Representatives Donnermeyer and Worthington: AN ACT relating to the Kentucky Information Systems Commission.

HB 862, by Representative Ward: AN ACT relating to firearms control.

HB 863, by Representatives Gray and Hatcher: AN ACT relating to the County Employees Retirement System.

HB 864, by Representative Callahan: AN ACT relating to retirement.

HB 865, by Representative Jones: AN ACT relating to retirement and declaring an emergency.

HB 866, by Representative Johnson: AN ACT relating to civil rights.

HB 867, by Representative McElroy: AN ACT relating to constructed wetlands.

HB 868, by Representative Geveden: AN ACT relating to the Ballard Wildlife Management Area.

HB 869, by Representative Hourigan: AN ACT relating to compensation of jailers.

HB 870, by Representative Hourigan: AN ACT relating to compensation of jailers.

HB 871, by Representative Palumbo: AN ACT relating to student teaching.

HB 872, by Representative Williams: AN ACT relating to damaged motor vehicles.

HB 873, by Representative Northup: AN ACT relating to the support of the wood products industry, and the taxing thereof.

HB 874, by Representative Northup: AN ACT relating to crimes and punishments.

HB 875, by Representative Northup: AN ACT relating to collaborative social, health and education services.

HCR 159, by Representative Geveden: A CONCURRENT RESOLUTION establishing a task force to study emergency management and response.

HR 160, by Representative Sanders: A RESOLUTION honoring Keith Madison, head coach of the University of Kentucky Batcats baseball team.

HR 161, by Representative Nelson: A RESOLUTION adjourning in loving memory of Jackie Dukes, Muhlenberg County Jailer.

HJR 162, by Representatives Bentley, Bowling, Ford, Altman, Todd, Gee, Turner, Keith, Strong and Sanders: A JOINT RESOLUTION authorizing and directing a study on economic development through diversification of the uses of Kentucky coal, and making an appropriation therefor.

HCR 163, by Representative R. Smith: A CONCURRENT RESOLUTION directing the Legislative Research Commission to create a special task force on tourism promotion and strategic planning.

HJR 164, by Representative R. Smith: A JOINT RESOLUTION directing the creation of an executive task force on historic preservation.

HR 165, by Representative Donnermeyer: A RESOLUTION urging local governments to provide excellent maintenance for their firefighting equipment.

HCR 166, by Representatives Johnson and Ackerson: A CONCURRENT RESOLUTION directing the Interim Joint Committee on Labor and Industry to study the issue of classifying businesses for the purpose of paying unemployment insurance taxes.

HCR 167, by Representative Moberly: A CONCURRENT RESOLUTION authorizing and directing a comprehensive study of a uniform state environmental policy.

Posting of Bills and Resolutions for Consideration (Continued)

The Clerk announced that the following Bills and Resolution have been posted for Committee consideration:

Education: **HB 788, HB 808, HB 721, HB 733**

Appropriations and Revenue: **HB 121, HB 122, HB 181, HB 191, HB 365, HB 418, HB 748, HJR 25**

Cities: **SB 206, HB 800**

Labor and Industry: **HB 711, HB 794**

Report of Committees (Continued)

The Committee on Appropriations and Revenue reported **HB 523**, with Committee Substitute attached thereto, **HB 585**, with Committee Substitute attached thereto, and **HB 607**, with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 523, AN ACT relating to property tax.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

(1) Each electrical inspector certified under KRS 227.489 shall submit a monthly report to the Revenue Cabinet showing the names and addresses of all persons, firms, or corporations for which inspections were conducted for new buildings, new or relocated mobile homes, and other new or relocated structures during the preceding month. Each building, mobile home, or other structure shall be identified by county and property address, or property location in those instances where the address is insufficient to reveal the physical location of the property.

(2) The information provided shall be used for the purpose of making and maintaining accurate assessment records. The Revenue Cabinet shall provide to each electrical inspector the necessary forms and instructions for filing the report required under subsection (1).

Section 2. KRS 132.220 is amended to read as follows:

(1) Deposits belonging to a resident of Kentucky in any national bank not of this state or in any bank, trust company, or combined bank and trust company not organized under the laws of this state, and unmanufactured tobacco insofar as it is subject to taxation by KRS 132.190 and 132.200, shall be listed, assessed and valued as of September 1 of each year. Money in hand shall be listed, assessed, and valued as of September 1 of each year. Shares of stock, notes, bonds, accounts, and other credits, whether secured by mortgage, pledge, or otherwise, or unsecured, and all interest in such property, unless otherwise provided by law, shall be listed, assessed, and valued as of the beginning of business on January 1 of each year. All other taxable property and all interest in other taxable property, unless otherwise specifically provided by law, shall be listed, assessed, and valued as of [~~January 1, 1962, and~~] January 1 of each year [~~thereafter~~]. It shall be the duty of all persons owning or having any interest in any real property taxable in this state to list or have listed such property with the property valuation administrator of the county where it is located, between January 1 and March 1 in each year, except as otherwise provided by law. It shall be the duty of all persons owning or having any interest in any intangible personal property or tangible personal property taxable in this state to list or have listed such property with the property valuation administrator of the county of taxable situs or with the Revenue Cabinet between January 1 and April 15 in each year, except as otherwise prescribed by law. All persons in whose name property is properly assessed shall remain bound for the tax, notwithstanding they may have sold or parted with it.

(2) Any taxpayer ***may list*** [~~who has a reasonable excuse for not listing~~] his property ***in person*** before the property valuation administrator or his deputy***, or may file a property tax return by first class mail. Any real property correctly and completely described in the assessment record for the previous year, or purchased during the preceding year and for which a value was stated in the deed according to the provisions of KRS 382.135, may be considered by the owner to be listed for the current year if no changes that could potentially affect the assessed value have been made to the property. However, if requested in writing***

by the property valuation administrator or by the Revenue Cabinet, any real property owner shall submit a property tax return to verify existing information or to provide additional information for assessment purposes. Any real property which has been underassessed as a result of the owner failing to provide information, or providing erroneous information, shall be subject to revaluation, and the difference in value shall be assessed as omitted property under the provisions of KRS 132.290 [~~may make the necessary report required by the schedule as to the value of his property and may then return the schedule to the property valuation administrator. This shall be a compliance with the law in his particular case~~].

(3) [~~Real property or any interest therein shall be listed in the taxing district where it is located, by the owner of the first freehold estate therein, and it shall be assessed without reference to conflicting title.~~] If the owner fails to list the property, the property valuation administrator shall nevertheless assess it. The property valuation administrator may swear witnesses in order to ascertain the person in whose name to make the list. ***The property valuation administrator, his employee, or employees of the Revenue Cabinet may physically inspect and revalue land and buildings in the absence of the property owner or resident. The exterior dimensions of buildings may be measured and building photographs may be taken; however, with the exception of buildings under construction or not yet occupied, an interior inspection of residential and farm buildings, and of the nonpublic portions of commercial buildings shall not be conducted in the absence or without the permission of the owner or resident.***

(4) Real property shall be assessed in the name of the owner, if ascertainable by the property valuation administrator, otherwise in the name of the occupant, if ascertainable, and otherwise to "unknown owner." The undivided real estate of any deceased person may be assessed to the heirs or devisees of ***the*** [~~such~~] person without designating them by name.

(5) ***Real property tax roll entries for which tax bills have not been collected for more than one (1) year, and for which the property valuation administrator cannot physically locate and identify the real property, shall be deleted. The property valuation administrator shall keep a record, which shall be open under the provisions of KRS 61.870 through KRS 61.884, of these entries. If, at any time, one of these entries is determined to represent a valid parcel of property it shall be assessed as omitted property under the provisions of KRS 132.290.***

(6) [~~Beginning in the year 1951,~~] All real property exempt from taxation by Section 170 of the Constitution shall be listed with the property valuation administrator in the same manner and at the same time as taxable real property. The property valuation administrator shall maintain an inventory record of ***the*** [~~such~~] tax-exempt property, but ***the*** [~~such~~] property shall not be placed on the tax rolls. A copy of this tax-exempt inventory shall be filed annually with the Revenue Cabinet within thirty (30) days of the close of the ***listing*** [~~taxing~~] period. This inventory shall be in the form prescribed by the Revenue Cabinet. The Revenue Cabinet shall make an annual report itemizing all exempt properties to the Governor and the Legislative Research Commission within sixty (60) days of the close of the ***listing*** [~~taxing~~] period.

(7)[~~(6)~~] Each property valuation administrator, under the direction of the Revenue Cabinet, shall review annually all real property listed with him under subsection ***(6)***[~~(5)~~] of this section and claimed to be exempt from taxation by Section 170 of the Constitution. The property valuation administrator shall place on the tax rolls all [~~such~~] property that is not exempt. Any property valuation administrator who fails to comply with this subsection shall be subject to the penalties prescribed in KRS 132.990(2).

Section 3. KRS 133.047 is amended to read as follows:

(1) Notwithstanding the provisions of KRS 61.870 through 61.884, when the Revenue Cabinet has completed action on the assessment of property in any county and has certified the assessment to the county clerk of that county, as provided for in KRS 133.180, the property tax roll or a copy of the property tax roll, shall be retained in the office of the property valuation administrator for maintenance as an open public record for five (5) years. ***The*** [~~Such~~] property tax roll shall be available for public inspection during the regular working hours of the office of the property valuation administrator as provided for in KRS 132.410(2).

(2) Any person inspecting a property tax roll shall do so in a manner not unduly interfering with the proper operation of the custodian's office [~~and said person shall not use information obtained from the property tax roll(s) for commercial or business purposes unrelated to property valuation and assessment~~].

(3) Personal property tax returns, accompanying documents, and assessment records, with the exception of the certified personal property tax roll, shall be considered confidential under the provisions of KRS 131.190.

(4) Real property tax returns and accompanying documents submitted by a taxpayer shall be considered confidential under the provisions of KRS 131.190. Other real property records in the office of the property valuation administrator shall be subject to the provisions of KRS 61.870 through KRS 61.884. However,

notwithstanding the provisions of KRS 61.874 through KRS 61.975 the Revenue Cabinet shall develop and provide to each property valuation administrator a reasonable fee schedule to be used in compensating for the cost of personnel time expended in providing information and assistance to persons seeking information to be used for commercial or business purposes. Any person seeking information on his own property, or any other person, including the press, seeking information directly related to property tax assessment, appeals, equalization, requests for refunds, or similar matters shall not be subject to fees for personnel time.

(5) The Revenue Cabinet shall provide advice, guidelines, and assistance to each property valuation administrator in implementing the provisions of KRS 61.965 through KRS 61.975.

Section 4. KRS 132.480 is amended to read as follows:

Each county clerk shall, on or before the fifteenth day of each month, ***provide*** [~~make and certify~~] to the property valuation administrator a ***copy*** [~~complete list~~] of all ***deeds and other*** conveyances ***transferring*** [~~of~~] real property made during the preceding month[~~, showing the names of the parties, description and location of the property, the date of conveyances and the consideration~~]. For this service the clerk shall be allowed reasonable compensation by the fiscal court.

Section 5. KRS 132.597 is amended to read as follows:

(1) The property valuation administrator of each county shall receive an annual expense allowance of three thousand six hundred dollars ($3,600) to be paid from the State Treasury in monthly installments of three hundred dollars ($300). Property valuation administrators shall not be required to keep records verifying expenditures from this expense allowance.

(2) The expense allowance provided in subsection (1) of this section shall be used by the property valuation administrator for expenses incurred in the performance of his duties. The allowance is to provide the necessary funds for payment of all expenditures of the property valuation administrator not directly associated with the assessment of property in his particular county.

(3) Each property valuation administrator shall annually, within each calendar year, participate in a minimum of thirty (30) classroom hours of professional instruction conducted ***or approved*** by the Revenue Cabinet. Any property valuation administrator failing to meet the cabinet's requirements for any calendar year shall not receive the three thousand six hundred dollar ($3,600) annual expense allowance provided in subsection (1) of this section for the subsequent calendar year.

(4) The annual requirement for participation in classroom instruction shall be reduced to fifteen (15) hours for any property valuation administrator awarded the "senior Kentucky assessor" (SKA) professional designation under the provisions of KRS 132.385.

Section 6. KRS 133.110 is amended to read as follows:

(1) After submission of the final real property recapitulation or certification of the personal property assessment, the [~~County judges/executive may, after giving notice to the county attorney, sheriff and~~] property valuation administrator ***may***[~~,~~] correct [~~any mere~~] clerical***, mathematical, or procedural*** errors in an assessment or any duplication of assessment. ***Changes in assessed value based on appraisal methodology or opinion of value shall not be valid. All corrections shall be reviewed by the Revenue Cabinet and those changes determined by the cabinet to be invalid shall be rescinded. Any taxpayer affected by this rescission shall not be subject to additional penalties*** [~~Any correction made without such notice shall be void~~].

(2) Notwithstanding other statutory provisions, for property subject to a tax rate that is set each year based on the certified assessment, any loss of property tax revenue incurred by a taxing district due to corrections made after the tax rate has been set may be recovered by making an adjustment in the tax rate to be set for the next tax year.

Section 7. KRS 133.130 is amended to read as follows:

(1) Any person claiming to be erroneously charged with any tax upon property not owned by him may, [~~at any time not later than thirty (30) days~~] after he has received notice of the same by demand made upon him to pay the tax, offer evidence in support of the complaint to the ***property valuation administrator*** [~~county judge/executive~~] of the county in which the assessment was made. If the ***property valuation administrator*** [~~county judge/executive~~] finds that he was not the owner of the property assessed, he may correct the same by releasing him from the payment of the tax, and ***shall assess*** [~~the order exonerating the tax shall, upon delivery of a copy thereof to the property valuation administrator, constitute an order to have~~] the property immediately [~~listed~~] against the rightful owner.

(2) ***A protest*** [~~An appeal~~] may be ***made*** [~~taken~~] to the ***Revenue Cabinet under the provisions of KRS 131.110*** [~~Circuit Court~~] from any ***action*** [~~final order~~] of the ***property valuation administrator*** [~~county judge/executive~~] made under this section or under KRS 133.110. [~~The county judge/executive shall certify his actions to the Revenue Cabinet and sheriff. The sheriff shall not receive credit under this section unless copies of the judgments are furnished to the cabinet by June 1 after the judgments are entered.~~]

Section 8. KRS 382.135 is amended to read as follows:

(1) In addition to any other requirement imposed by law, a deed to real property shall contain the following:

(a) The mailing addresses of the grantor and grantee;

(b) A statement of the full consideration; and

(c) In the case of a transfer other than by gift, ***or with nominal or no consideration*** a sworn, notarized certificate signed by the grantor or his agent and the grantee or his agent, or the parent or guardian of a person under eighteen (18) years old, that the consideration reflected in the deed is the full consideration paid for the property; or

(d) In the case of a transfer ***either*** by gift ***or with nominal or no consideration***, a sworn, notarized certificate signed by the grantor or his agent and the grantee or his agent, or the parent or guardian of a person under eighteen (18) years old, stating that the transfer is by gift and setting forth the estimated fair cash value of the property.

(2) ***The deed filing requirements listed in subsection (1) of this section shall not apply to:***

(a) Deeds which only convey easements of any type;

(b) Deeds which transfer property through a court action pursuant to a divorce proceeding;

(c) Deeds which convey right-of-ways that involve governmental agencies;

(d) Deeds which convey cemetery lots; and

(e) Deeds which correct errors in previous deeds conveying the same property from the same grantor to the same grantee.

(3) In the case of an exchange of properties, the fair cash value of the property being exchanged shall be stated in the body of the deed.

(4) In the event of a transfer of property by will or under the laws of intestate succession, the personal representative of the estate, prior to closing out the estate, shall file an affidavit with the county clerk of each county in which any of the property is located, which shall contain the following:

(a) The names and addresses of the persons receiving each property passing by will or intestate succession; and

(b) The full or fair market value of each property as estimated or established for any purpose in the handling of the estate, or a statement that no such values were estimated or established.

(5)[~~(3)~~] No county clerk or deputy clerk shall lodge for record, and no county clerk or deputy shall receive and permit to be lodged for record, any deed that does not comply with the provisions of this section.

The Committee Substitute to **HB 523** is as follows:

HB 523, AN ACT relating to property tax.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

(1) Each electrical inspector certified under KRS 227.489 shall submit a monthly report to the Revenue Cabinet showing the names and addresses of all persons, firms, or corporations for which inspections were conducted for new buildings, new or relocated mobile homes, and other new or relocated structures during the preceding month. Each building, mobile home, or other structure shall be identified by county and property

address, or property location in those instances where the address is insufficient to reveal the physical location of the property.

(2) The information provided shall be used for the purpose of making and maintaining accurate assessment records. The Revenue Cabinet shall provide to each electrical inspector the necessary forms and instructions for filing the report required under subsection (1).

Section 2. KRS 132.220 is amended to read as follows:

(1) Deposits belonging to a resident of Kentucky in any national bank not of this state or in any bank, trust company, or combined bank and trust company not organized under the laws of this state, and unmanufactured tobacco insofar as it is subject to taxation by KRS 132.190 and 132.200, shall be listed, assessed and valued as of September 1 of each year. Money in hand shall be listed, assessed, and valued as of September 1 of each year. Shares of stock, notes, bonds, accounts, and other credits, whether secured by mortgage, pledge, or otherwise, or unsecured, and all interest in such property, unless otherwise provided by law, shall be listed, assessed, and valued as of the beginning of business on January 1 of each year. All other taxable property and all interest in other taxable property, unless otherwise specifically provided by law, shall be listed, assessed, and valued as of [~~January 1, 1962, and~~] January 1 of each year [~~thereafter~~]. It shall be the duty of all persons owning or having any interest in any real property taxable in this state to list or have listed such property with the property valuation administrator of the county where it is located, between January 1 and March 1 in each year, except as otherwise provided by law. It shall be the duty of all persons owning or having any interest in any intangible personal property or tangible personal property taxable in this state to list or have listed such property with the property valuation administrator of the county of taxable situs or with the Revenue Cabinet between January 1 and April 15 in each year, except as otherwise prescribed by law. All persons in whose name property is properly assessed shall remain bound for the tax, notwithstanding they may have sold or parted with it.

(2) Any taxpayer ***may list*** [~~who has a reasonable excuse for not listing~~] his property ***in person*** before the property valuation administrator or his deputy***, or may file a property tax return by first class mail. Any real property correctly and completely described in the assessment record for the previous year, or purchased during the preceding year and for which a value was stated in the deed according to the provisions of KRS 382.135, may be considered by the owner to be listed for the current year if no changes that could potentially affect the assessed value have been made to the property. However, if requested in writing by the property valuation administrator or by the Revenue Cabinet, any real property owner shall submit a property tax return to verify existing information or to provide additional information for assessment purposes. Any real property which has been underassessed as a result of the owner intentionally failing to provide information, or intentionally providing erroneous information, shall be subject to revaluation, and the difference in value shall be assessed as omitted property under the provisions of KRS 132.290*** [~~may make the necessary report required by the schedule as to the value of his property and may then return the schedule to the property valuation administrator. This shall be a compliance with the law in his particular case~~].

(3) [~~Real property or any interest therein shall be listed in the taxing district where it is located, by the owner of the first freehold estate therein, and it shall be assessed without reference to conflicting title.~~] If the owner fails to list the property, the property valuation administrator shall nevertheless assess it. The property valuation administrator may swear witnesses in order to ascertain the person in whose name to make the list. ***The property valuation administrator, his employee, or employees of the Revenue Cabinet may physically inspect and revalue land and buildings in the absence of the property owner or resident. The exterior dimensions of buildings may be measured and building photographs may be taken; however, with the exception of buildings under construction or not yet occupied, an interior inspection of residential and farm buildings, and of the nonpublic portions of commercial buildings shall not be conducted in the absence or without the permission of the owner or resident.***

(4) Real property shall be assessed in the name of the owner, if ascertainable by the property valuation administrator, otherwise in the name of the occupant, if ascertainable, and otherwise to "unknown owner." The undivided real estate of any deceased person may be assessed to the heirs or devisees of ***the*** [~~such~~] person without designating them by name.

(5) ***Real property tax roll entries for which tax bills have not been collected for more than one (1) year, and for which the property valuation administrator cannot physically locate and identify the real property, shall be deleted. The property valuation administrator shall keep a record, which shall be open under the provisions of KRS 61.870 through KRS 61.884, of these entries. If, at any time, one of these entries is determined to represent a valid parcel of property it shall be assessed as omitted property under the provisions of KRS 132.290.***

(6) [~~Beginning in the year 1951,~~] All real property exempt from taxation by Section 170 of the Constitution shall be listed with the property valuation administrator in the same manner and at the same time as taxable real property. The property valuation administrator shall maintain an inventory record of ***the*** [~~such~~] tax-exempt property, but ***the*** [~~such~~] property shall not be placed on the tax rolls. A copy of this tax-exempt inventory shall be filed annually with the Revenue Cabinet within thirty (30) days of the close of the ***listing*** [~~taxing~~] period. This inventory shall be in the form prescribed by the Revenue Cabinet. The Revenue Cabinet shall make an annual report itemizing all exempt properties to the Governor and the Legislative Research Commission within sixty (60) days of the close of the ***listing*** [~~taxing~~] period.

(7)[~~(6)~~] Each property valuation administrator, under the direction of the Revenue Cabinet, shall review annually all real property listed with him under subsection ***(6)***[~~(5)~~] of this section and claimed to be exempt from taxation by Section 170 of the Constitution. The property valuation administrator shall place on the tax rolls all [~~such~~] property that is not exempt. Any property valuation administrator who fails to comply with this subsection shall be subject to the penalties prescribed in KRS 132.990(2).

Section 3. KRS 133.047 is amended to read as follows:

(1) Notwithstanding the provisions of KRS 61.870 through 61.884, when the Revenue Cabinet has completed action on the assessment of property in any county and has certified the assessment to the county clerk of that county, as provided for in KRS 133.180, the property tax roll or a copy of the property tax roll, shall be retained in the office of the property valuation administrator for maintenance as an open public record for five (5) years. ***The*** [~~Such~~] property tax roll shall be available for public inspection during the regular working hours of the office of the property valuation administrator as provided for in KRS 132.410(2).

(2) Any person inspecting a property tax roll shall do so in a manner not unduly interfering with the proper operation of the custodian's office [~~and said person shall not use information obtained from the property tax roll(s) for commercial or business purposes unrelated to property valuation and assessment~~].

(3) Personal property tax returns, accompanying documents, and assessment records, with the exception of the certified personal property tax roll, shall be considered confidential under the provisions of KRS 131.190.

(4) Real property tax returns and accompanying documents submitted by a taxpayer shall be considered confidential under the provisions of KRS 131.190. Other real property records in the office of the property valuation administrator shall be subject to the provisions of KRS 61.870 through KRS 61.884. However, notwithstanding the provisions of KRS 61.874 through KRS 61.975 the Revenue Cabinet shall develop and provide to each property valuation administrator a reasonable fee schedule to be used in compensating for the cost of personnel time expended in providing information and assistance to persons seeking information to be used for commercial or business purposes. Any person seeking information on his own property, or any other person, including the press, seeking information directly related to property tax assessment, appeals, equalization, requests for refunds, or similar matters shall not be subject to fees for personnel time.

(5) The Revenue Cabinet shall provide advice, guidelines, and assistance to each property valuation administrator in implementing the provisions of KRS 61.965 through KRS 61.975.

Section 4. KRS 132.480 is amended to read as follows:

Each county clerk shall, on or before the fifteenth day of each month, ***provide*** [~~make and certify~~] to the property valuation administrator a ***copy*** [~~complete list~~] of all ***deeds and other*** conveyances ***transferring*** [~~of~~] real property made during the preceding month[~~, showing the names of the parties, description and location of the property, the date of conveyances and the consideration~~]. For this service the clerk shall be allowed reasonable compensation by the fiscal court.

Section 5. KRS 132.597 is amended to read as follows:

(1) The property valuation administrator of each county shall receive an annual expense allowance of three thousand six hundred dollars ($3,600) to be paid from the State Treasury in monthly installments of three hundred dollars ($300). Property valuation administrators shall not be required to keep records verifying expenditures from this expense allowance.

(2) The expense allowance provided in subsection (1) of this section shall be used by the property valuation administrator for expenses incurred in the performance of his duties. The allowance is to provide the necessary funds for payment of all expenditures of the property valuation administrator not directly associated with the assessment of property in his particular county.

(3) Each property valuation administrator shall annually, within each calendar year, participate in a minimum of thirty (30) classroom hours of professional instruction conducted ***or approved*** by the Revenue Cabinet. Any property valuation administrator failing to meet the cabinet's requirements for any calendar year shall not receive the three thousand six hundred dollar ($3,600) annual expense allowance provided in subsection (1) of this section for the subsequent calendar year.

(4) The annual requirement for participation in classroom instruction shall be reduced to fifteen (15) hours for any property valuation administrator awarded the "senior Kentucky assessor" (SKA) professional designation under the provisions of KRS 132.385.

Section 6. KRS 133.110 is amended to read as follows:

(1) After submission of the final real property recapitulation or certification of the personal property assessment, the [~~County judges/executive may, after giving notice to the county attorney, sheriff and~~] property valuation administrator ***may***[~~,~~] correct [~~any mere~~] clerical***, mathematical, or procedural*** errors in an assessment or any duplication of assessment. ***Changes in assessed value based on appraisal methodology or opinion of value shall not be valid. All corrections shall be reviewed by the Revenue Cabinet and those changes determined by the cabinet to be invalid shall be rescinded. Any taxpayer affected by this rescission shall not be subject to additional penalties*** [~~Any correction made without such notice shall be void~~].

(2) Notwithstanding other statutory provisions, for property subject to a tax rate that is set each year based on the certified assessment, any loss of property tax revenue incurred by a taxing district due to corrections made after the tax rate has been set may be recovered by making an adjustment in the tax rate to be set for the next tax year.

Section 7. KRS 133.130 is amended to read as follows:

(1) Any person claiming to be erroneously charged with any tax upon property not owned by him may, [~~at any time not later than thirty (30) days~~] after he has received notice of the same by demand made upon him to pay the tax, offer evidence in support of the complaint to the ***property valuation administrator*** [~~county judge/executive~~] of the county in which the assessment was made. If the ***property valuation administrator*** [~~county judge/executive~~] finds that he was not the owner of the property assessed, he may correct the same by releasing him from the payment of the tax, and ***shall assess*** [~~the order exonerating the tax shall, upon delivery of a copy thereof to the property valuation administrator, constitute an order to have~~] the property immediately [~~listed~~] against the rightful owner.

(2) ***A protest*** [~~An appeal~~] may be ***made*** [~~taken~~] to the ***Revenue Cabinet under the provisions of KRS 131.110*** [~~Circuit Court~~] from any ***action*** [~~final order~~] of the ***property valuation administrator*** [~~county judge/executive~~] made under this section or under KRS 133.110. [~~The county judge/executive shall certify his actions to the Revenue Cabinet and sheriff. The sheriff shall not receive credit under this section unless copies of the judgments are furnished to the cabinet by June 1 after the judgments are entered.~~]

Section 8. KRS 382.135 is amended to read as follows:

(1) In addition to any other requirement imposed by law, a deed to real property shall contain the following:

(a) The mailing addresses of the grantor and grantee;

(b) A statement of the full consideration; and

(c) In the case of a transfer other than by gift, ***or with nominal or no consideration*** a sworn, notarized certificate signed by the grantor or his agent and the grantee or his agent, or the parent or guardian of a person under eighteen (18) years old, that the consideration reflected in the deed is the full consideration paid for the property; or

(d) In the case of a transfer ***either*** by gift ***or with nominal or no consideration***, a sworn, notarized certificate signed by the grantor or his agent and the grantee or his agent, or the parent or guardian of a person under eighteen (18) years old, stating that the transfer is by gift and setting forth the estimated fair cash value of the property.

(2) ***The deed filing requirements listed in subsection (1)(b) and (c) of this section shall not apply to:***

(a) Deeds which only convey utility easements;

(b) Deeds which transfer property through a court action pursuant to a divorce proceeding;

(c) Deeds which convey right-of-ways that involve governmental agencies;

(d) Deeds which convey cemetery lots; and

(e) Deeds which correct errors in previous deeds conveying the same property from the same grantor to the same grantee.

(3) In the case of an exchange of properties, the fair cash value of the property being exchanged shall be stated in the body of the deed.

(4) In the event of a transfer of property by will or under the laws of intestate succession, the personal representative of the estate, prior to closing out the estate, shall file an affidavit with the county clerk of each county in which any of the property is located, which shall contain the following:

(a) The names and addresses of the persons receiving each property passing by will or intestate succession; and

(b) The full or fair market value of each property as estimated or established for any purpose in the handling of the estate, or a statement that no such values were estimated or established.

(5)[~~(3)~~] No county clerk or deputy clerk shall lodge for record, and no county clerk or deputy shall receive and permit to be lodged for record, any deed that does not comply with the provisions of this section.

HB 585, AN ACT relating to property taxes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 132.010 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Cabinet" means the Revenue Cabinet.

(2) "Taxpayer" means any person made liable by law to file a return or pay a tax.

(3) "Real property" includes all lands within this state and improvements thereon.

(4) "Personal property" includes every species and character of property, tangible and intangible, other than real property.

(5) "Resident" means any person who has taken up a place of abode within this state with the intention of continuing to abide in this state; any person who has had his actual or habitual place of abode in this state for the larger portion of the twelve (12) months next preceding the date as of which an assessment is due to be made shall be deemed to have intended to become a resident of this state.

(6) "Compensating tax rate" means that rate which, rounded to the next higher one-tenth of one cent per one hundred dollars of assessed value and applied to the current year's assessment of the property subject to taxation by a taxing district, excluding new property and personal property, produces an amount of revenue approximately equal to that produced in the preceding year from real property. However, in no event shall the compensating tax rate be a rate which, when applied to the total current year assessment of all classes of taxable property, produces an amount of revenue less than was produced in the preceding year from all classes of taxable property. For purposes of this subsection, "property subject to taxation" means the total fair cash value of all property subject to full local rates, less the total valuation exempted from taxation by the homestead exemption provision of the Constitution and the difference between the fair cash value and agricultural or horticultural value of agricultural or horticultural land.

(7) "Net assessment growth" means the difference between:

(a) The total valuation of property subject to taxation by the county, city, school district, or special district in the preceding year, less the total valuation exempted from taxation by the homestead exemption provision of the Constitution in the current year over that exempted in the preceding year, and

(b) The total valuation of property subject to taxation by the county, city, school district, or special district for the current year.

(8) "New property" means the net difference in taxable value between real property additions and deletions to the property tax roll for the current year. "Real property additions" shall mean:

(a) Property annexed or incorporated by a municipal corporation, or any other taxing jurisdiction; however, this definition shall not apply to property acquired through the merger or consolidation of school districts, or the transfer of property from one school district to another;

(b) Property, the ownership of which has been transferred from a tax-exempt entity to a nontax-exempt entity;

(c) The value of improvements to existing nonresidential property;

(d) The value of new residential improvements to property;

(e) The value of improvements to existing residential property when the improvement increases the assessed value of the property by fifty percent (50%) or more;

(f) Property created by the subdivision of unimproved property, provided, that when such property is reclassified from farm to subdivision by the property valuation administrator, the value of such property as a farm shall be a deletion from that category;

(g) Property exempt from taxation, as an inducement for industrial or business use, at the expiration of its tax exempt status;

(h) Property, the tax rate of which will change, according to the provisions of KRS 82.085, to reflect additional urban services to be provided by the taxing jurisdiction, provided, however, that such property shall be considered "real property additions" only in proportion to the additional urban services to be provided to the property over the urban services previously provided; and

(i) The value of improvements to real property previously under assessment moratorium.

"Real property deletions" shall be limited to the value of real property removed from, or reduced over the preceding year on, the property tax roll for the current year.

(9) "Agricultural land" means any tract of land, including all income-producing improvements but excluding all residences ***and land used for residential and other nonagricultural activities***, of at least ten (10) contiguous acres in area used for the production of livestock, livestock products, poultry, poultry products and/or the growing of tobacco and/or other crops including timber, or where devoted to and meeting the requirements and qualifications for payments pursuant to agriculture programs under an agreement with the state or federal government[~~, where such activities produced an average annual gross income including payments under a state or federal program according to the following scale:~~

~~Acres~~	~~Annual Gross Income~~ +	~~Income Per Acre~~
~~10 to 30~~	~~$1,000e~~ +	~~$60 per acre, or a fraction thereof, over 10 acres.~~
~~30 to 60~~	~~$2,200e~~ +	~~$40 per acre, or a fraction thereof, over 30 acres.~~
~~60 to 100~~	~~$3,400e~~ +	~~$25 per acre, or a fraction thereof, over 60 acres.~~
~~100 to 250~~	~~$4,400e~~ +	~~$10 per acre, or a fraction thereof, over 100 acres.~~
~~Over 250~~	~~$5,900e~~ +	~~$5 per acre, or a fraction thereof, over 250 acres.~~

~~The above annual gross income amounts must be achieved in three (3) out of the five (5) years preceding the tax year or there must be an annual gross income of these amounts within two (2) years of purchase. Land devoted exclusively to the growing of merchantable timber or nonincome-producing woodland is excluded from the gross income provisions~~].

(10) "Horticultural land" means any tract of land, including all income-producing improvements but excluding all residences ***and land used for residential and other nonhorticultural activities***, of at least five (5) contiguous acres in area commercially used for the cultivation of a garden, orchard, or the raising of fruits or nuts, vegetables, flowers, or ornamental plants[~~, where such activities produced an average annual gross income according to the following scale:~~

~~Acres~~	~~Annual Gross Income~~ +	~~Income Per Acre~~
~~5 to 30~~	~~$1,000 minimum, or~~	~~$100 per acre, or a fraction thereof, over 5 acres, or whichever amount is greater.~~
~~30 to 60~~	~~$3,000e~~ +	~~$50 per acre, or a fraction thereof, over 30 acres.~~
~~60 to 100~~	~~$4,500e~~ +	~~$25 per acre, or a fraction thereof, over 60 acres.~~
~~100 to 250~~	~~$5,500e~~ +	~~$10 per acre, or a fraction thereof, over 100 acres.~~
~~Over 250~~	~~$7,000e~~ +	~~$5 per acre, or a fraction thereof, over 250 acres.~~

~~The above annual gross income amounts must be achieved in three (3) out of the five (5) years preceding the tax year or there is evidence of anticipated annual gross income of these amounts. Land devoted exclusively to the growing of merchantable timber or nonincome-producing woodland is excluded from the gross income provisions~~].

(11) "Agricultural or horticultural value" means the use value of "agricultural or horticultural land" based upon income-producing capability and comparable sales of farmland purchased for farm purposes where the price is indicative of farm use value, excluding sales representing purchases for farm expansion, better accessibility, and other factors which inflate the purchase price beyond farm use value, if any, considering the following factors as they affect a taxable unit:

(a) Relative percentages of tillable land, pasture land, and woodland;

(b) Degree of productivity of the soil;

(c) Risk of flooding;

(d) Improvements to and on the land that relate to the production of income;

(e) Row crop capability including allotted crops;

(f) Accessibility to all-weather roads and markets; and

(g) Factors which affect the general agricultural or horticultural economy, such as: interest, price of farm products, cost of farm materials and supplies, labor, or any economic factor which would affect net farm income.

(12) [~~"Deferred tax" means the difference in the tax based on agricultural or horticultural value and the tax based on fair cash value.~~

~~(13)~~] "Homestead" means real property maintained as the permanent residence of the owner with all land and improvements adjoining and contiguous thereto including, but not limited to, lawns, drives, flower or vegetable gardens, outbuildings, and all other land connected thereto.

(13)[~~(14)~~] "Residential unit" means all or that part of real property occupied as the permanent residence of the owner.

(14)[~~(15)~~] "Special benefits" are those which are provided by public works not financed through the general tax levy but through special assessments against the benefited property.

(15)[~~(16)~~] "Mobile home" means a structure, transportable in one (1) or more sections, which when erected on site measures eight (8) body feet or more in width and thirty-two (32) body feet or more in length, and which is built on a permanent chassis and designed to be used as a dwelling, with or without a permanent foundation, when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein. It may be used as a place of residence, business, profession, or trade by the owner, lessee, or their assigns and may consist of one (1) or more units that can be attached or joined together to comprise an integral unit or condominium structure.

(16)[~~(17)~~] "Recreational vehicle" means a vehicular type unit primarily designed as temporary living quarters for recreational, camping, or travel use, which either has its own motive power or is mounted on or drawn by another vehicle. The basic entities are: travel trailer, camping trailer, truck camper, and motor home.

(a) Travel trailer: A vehicular unit, mounted on wheels, designed to provide temporary living quarters for recreational, camping, or travel use, and of such size or weight as not to require special highway movement permits when drawn by a motorized vehicle, and with a living area of less than two hundred twenty (220) square feet, excluding built-in equipment (such as wardrobes, closets, cabinets, kitchen units or fixtures) and bath and toilet rooms.

(b) Camping trailer: A vehicular portable unit mounted on wheels and constructed with collapsible partial side walls which fold for towing by another vehicle and unfold at the camp site to provide temporary living quarters for recreational, camping, or travel use.

(c) Truck camper: A portable unit constructed to provide temporary living quarters for recreational, travel, or camping use, consisting of a roof, floor, and sides, designed to be loaded onto and unloaded from the bed of a pick-up truck.

(d) Motor home: A vehicular unit designed to provide temporary living quarters for recreational, camping, or travel use built on or permanently attached to a self-propelled motor vehicle chassis or on a chassis cab or van which is an integral part of the completed vehicle.

Section 2. KRS 132.450 is amended to read as follows:

(1) Each property valuation administrator shall assess at its fair cash value all property which it is his duty to assess except ***that agricultural and horticultural land shall be assessed at its agricultural or horticultural value*** [~~as provided in paragraph (g) of subsection (2) of this section~~]. In the case of securities which are regularly bought and sold through stock exchanges, the price at which such property closed on the last regular business day preceding the assessment day shall be prima facie evidence of the fair cash value of such property. The property of one (1) person shall not be assessed wilfully or intentionally at a lower or higher relative value than the same class of property of another, and any grossly discriminatory valuation shall be construed as an intentional discrimination. The property valuation administrator shall make every effort, through visits with the taxpayer, personal inspection of the property, from records, from his own knowledge, from information in property schedules, and from such other evidence as he may be able to obtain, to locate, identify, and assess property.

(2) (a) ***The Revenue Cabinet shall provide guidelines and assistance to the property valuation administrator in determining eligibility for the agricultural or horticultural classification. If, in the judgment of the property valuation administrator, the eligibility is questionable, the owner shall be required to provide proof of agricultural or horticultural activity*** [~~On or before March 1 of any year the owner or owners of land devoted exclusively to agricultural or horticultural use on which the property valuation administrator has placed a value in excess of the agricultural or horticultural value may file application for valuation at the agricultural or horticultural value with the property valuation administrator of the county in which the land is located, on forms prescribed by the cabinet. This application shall be valid until the property is transferred or the land use is changed; however, the owner may elect to have the subject property assessed as other than agricultural or horticultural land for any year or years by filing a statement to that effect with the property valuation administrator prior to the close of the five (5) day period beginning on the first Monday in June~~]. In determining the total area of [~~such~~] land ***devoted to agricultural or horticultural use***, there shall be included the area of all land under farm buildings, greenhouses and like structures, lakes, ponds, streams, irrigation ditches and similar facilities, and garden plots devoted to growth of products for on-farm personal consumption but there shall be excluded, land used in connection with dwelling houses including, but not limited to, lawns, drives, flower gardens, swimming pools or other areas devoted to family recreation. ***Other land and buildings not devoted to agricultural and horticultural purposes, such as horse barns and paddocks used primarily for recreation, shall also be excluded.*** Where contiguous land in agricultural or horticultural use in one (1) ownership is located in more than one county or taxing district, compliance with the minimum requirements shall be determined on the basis of the total area [~~and income~~] of such land and not the area [~~or income~~] of land which is located in the particular county or taxing district.

(b) Land devoted to agricultural or horticultural use, where the owner or owners have petitioned for, and been granted, a zoning classification other than for agricultural or horticultural purposes qualifies for the agricultural or horticultural assessment until such time as the land changes from agricultural or horticultural use to the use granted by the zoning classification. [~~At the time of the change of use, the provisions imposed by paragraph (f) of this subsection shall take effect.~~]

(c) [~~Real property devoted to agricultural or horticultural use by any corporation other than one organized primarily for agricultural or horticultural purposes is excluded from the provisions of paragraph (g) of this subsection.~~

~~(d)~~] When the use of a part of a tract of land which is ***assessed*** [~~valued and taxed~~] as agricultural or horticultural land is changed either by conveyance or other action of the owner, the right of the remaining land to be retained in the agricultural or horticultural [~~classification for~~] assessment [~~and taxation~~] shall not be impaired provided it meets the minimum requirements [~~for such classification, except that land on which there has been established a systematic pattern of change of use over a period of two (2) years is excluded from the provisions of paragraph (g) of this subsection.~~

~~(e) The owner or owners of land shall not be liable for deferred taxes for any year in which the land was not assessed for agricultural or horticultural use under the provisions of paragraph (g) of this subsection.~~

~~(f) Where a change in land use occurs in any tax year the owner of such land shall be subject to the deferred tax provisions of subsection (1) of KRS 132.454 for each of the preceding two (2) tax years in which the land was valued and taxed for agricultural or horticultural purposes.~~

~~(g) When in the opinion of the property valuation administrator any land on which an application has been filed, has a value in excess of that for agricultural or horticultural use the property valuation administrator shall enter into the tax records the value of the property according to its fair cash value. When the property valuation administrator determines that the land meets the requirements for valuation as agricultural or horticultural land, the valuation for tax purposes shall be its agricultural or horticultural value.~~

~~(h) When an application for valuation of property as agricultural or horticultural is denied, the property valuation administrator shall cause written notice to be served on the property owner in the manner provided by subsection (4) of this section. The property owner may appeal such ruling to the county board of assessment appeals as provided in KRS 133.120 or in the case of a city or special district to the appropriate appeals body for the city or district~~].

(3) ***Upon the written request of the property owner or his representative, the property valuation administrator shall provide an estimate of the fair cash value of agricultural or horticultural property. The property valuation administrator shall monitor all sales of agricultural and horticultural property and shall annually prepare an assessment/sales ratio study for agricultural and horticultural property. This study shall be submitted to the Revenue Cabinet with the property valuation administrator's recapitulation required by KRS 133.040. The Revenue Cabinet shall use this study, along with any other pertinent information, to estimate the aggregate fair cash value of property assessed at agricultural and horticultural value. This estimate shall be used in the grade classification system for property valuation administrators provided for in KRS 132.590(2)*** [~~Notwithstanding any statutory provisions to the contrary, the provisions of this section and KRS 132.454 shall apply to the assessment and taxation of agricultural or horticultural land for state, county, city or special district purposes. Any city may by ordinance establish additional tax procedures which will enable it effectively to administer the provisions of this section and KRS 132.454~~].

(4) ***When land which has been valued and taxed as agricultural land for five (5) or more consecutive years under the same ownership, fails to qualify for the classification through no other action on the part of the owner or owners other than ceasing to farm the land, the land shall retain its agricultural classification for assessment and taxation purposes. Classification as agricultural land shall expire upon change of use by the owner or owners or upon conveyance of the property to a person other than a surviving spouse.***

(5) If the property valuation administrator assesses any property, except stocks and bonds at the market value listed in recognized publications, at a greater value than that listed by the taxpayer or assesses unlisted property, the property valuation administrator shall serve notice on the taxpayer of such action. The notice shall be given by first-class mail or as provided in the Kentucky Rules of Civil Procedure.

(6)[~~(5)~~] Any taxpayer may designate on the property schedule any property which he does not consider to be subject to taxation, and it shall be the duty of the property valuation administrator to obtain and follow advice from the cabinet relative to the taxability of such property.

Section 3. KRS 132.310 is amended to read as follows:

(1) Any person who has failed to list for taxation any property omitted from assessment, except such as is subject to assessment by the Revenue Cabinet, may at any time list such property with the property valuation administrator. The property valuation administrator shall proceed to assess any omitted real property and shall within ten (10) days from the date the real property was listed notify the taxpayer of the amount of the assessment. The notice shall be given as provided in KRS 132.450***(5)***[~~(4)~~]. The Revenue Cabinet shall assess any omitted personal property and provide notice to the taxpayer in the manner provided in KRS 131.110.

(2) The property valuation administrator may at any time list and assess any real property which may have been omitted from the regular assessment. Immediately upon listing and assessing omitted real property, the property valuation administrator shall notify the taxpayer of the amount of the assessment. The notice shall be given as provided in KRS 132.450***(5)***[~~(4)~~].

(3) The notice to the taxpayer required by subsections (1) and (2) of this section shall specify a date and time at which the county board of assessment appeals will hear the taxpayer's protest of the omitted assessment. For purposes of hearing appeals from omitted assessments the county judge/executive shall notify the chairman of the board of assessment appeals of the date set for hearing and may authorize one member of the board to hear the appeal and issue a ruling of his decision on the assessment, which shall be appealable, to the Kentucky Board of Tax Appeals as provided by KRS 131.340(2).

(4) Any property voluntarily listed as omitted property for taxation under this section shall be subject to penalties provided in KRS 132.290(3). Omitted property listed for taxation under this section by the property valuation administrator shall be subject to the penalties provided in KRS 132.290(4).

Section 4. KRS 132.486 is amended to read as follows:

(1) The Revenue Cabinet shall develop and administer a centralized ad valorem assessment system for intangible personal property and tangible personal property. This system shall be designed to provide on-line computer terminals and accessory equipment in every property valuation administrator's office in the state in order to create and maintain a centralized personal property tax roll data base.

(2) State income tax returns and return preparation instructions shall be revised to facilitate the preparation of the personal property tax return; however, the personal property tax return shall be a separate document and shall be listed with the property valuation administrator in the county of taxable situs according to the provisions of KRS 132.220(1) or with the Revenue Cabinet. The Revenue Cabinet shall prescribe, promulgate and provide such administrative regulations, forms and records as it deems appropriate for the listing and assessment of personal property.

(3) Appeals of personal property assessments shall not be made to the county board of assessment appeals. Personal property taxpayers shall be served notice under the provisions of KRS 132.450***(5)***[~~(4)~~] and shall have the protest and appeal rights granted under the provision of KRS 131.110.

Section 5. KRS 133.120 is amended to read as follows:

(1) Any taxpayer aggrieved by an assessment on real property made by the property valuation administrator may appeal to the board of assessment appeals. The taxpayer shall appeal his assessment by filing in person or sending a letter or other written petition stating the reasons for appeal, identifying the property for which the appeal is filed, and stating to the county clerk the taxpayer's opinion of the fair cash value of the property within the twelve (12) day period in which the inspection is held. The county clerk shall notify the Revenue Cabinet of all assessment appeals and of the date and times of the hearings. The board of assessment appeals may review and change any assessment made by the property valuation administrator upon recommendation of the Revenue Cabinet, county judge/executive, mayor of any city using the county assessment, or the superintendent of any school district in which the property is located, provided such recommendation is made to the board in writing specifying the individual properties recommended for review. If the board of assessment appeals determines that any such assessment should be increased, then it shall give the taxpayer notice in the manner required by subsection ***(5)***[~~(4)~~] of KRS 132.450, specifying a date when the board will hear the taxpayer, if he so desires, in protest of such increase. Any real property owner who has listed his property with the property valuation administrator at its fair cash value likewise may ask the county board of assessment appeals to review the assessments of real properties he believes to be assessed at less than fair cash value, providing he specifies in writing the individual properties for which the review is sought and factual information upon which his request is based, such as comparable sales or cost data. Nothing in this section shall be construed as granting any property owner the right to request a blanket review of properties or the board the power to conduct such a review.

(2) The board of assessment appeals shall hold a public hearing for each individual taxpayer appeal in protest of the assessment by the property valuation administrator filed in accordance with the provisions of subsection (1) of this section, and after hearing all the evidence, shall fix the assessment of the property at its fair cash value. The Revenue Cabinet may be present at the hearing and present any pertinent evidence as it pertains to the appeal. The board shall report to the property valuation administrator any real property omitted from the tax roll. The property valuation administrator shall assess such property and immediately give notice to the taxpayer in the manner required by KRS 132.450***(5)***[~~(4)~~], specifying a date when the board of assessment appeals will hear the taxpayer, if he so desires, in protest of the action of the property valuation administrator.

(3) The board of assessment appeals shall have power to issue subpoenas, compel the attendance of witnesses, and adopt rules and regulations concerning the conduct of its business. Any member of the board shall have power to administer oaths to any witness in proceedings before the board.

(4) The powers of the board of assessment appeals shall be limited to those specifically granted by this section.

(5) No appeal under this section shall delay the collection or payment of any taxes based upon the assessment in controversy. The taxpayer shall pay all state, county, and district taxes due on the valuation which he claims as true value and stated in the petition of appeal filed in accordance with the provisions of subsection (1) of this section. When the valuation is finally determined upon appeal, the court or the Kentucky Board of Tax Appeals shall certify the valuation to the county clerk and the taxpayer shall be billed for any additional tax and interest at the tax interest rate as defined in KRS 131.010(6) from the date when the tax would have become due if no appeal had been taken. The provisions of KRS 134.390 shall apply to such tax bill.

(6) Any member of the county board of assessment appeals may be required to give evidence in support of the board's findings in any appeal from its actions to the Kentucky Board of Tax Appeals. Any persons aggrieved by a decision of the board, including the property valuation administrator, taxpayer, and Revenue Cabinet, may appeal the decision to the Kentucky Board of Tax Appeals.

(7) It shall be the duty of the county attorney to represent the interest of the state and county in all hearings before the board of assessment appeals and on all appeals prosecuted from its decision. In the event the county attorney is unable to represent the state and county, he or the fiscal court shall arrange for substitute representation.

Section 6. The following KRS section is repealed:

132.454 Tax liability when real property taxed as agricultural or horticultural is converted to another use.

The Committee Substitute to **HB 585** is as follows:

HB 585, AN ACT relating to property taxes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 132.010 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Cabinet" means the Revenue Cabinet.

(2) "Taxpayer" means any person made liable by law to file a return or pay a tax.

(3) "Real property" includes all lands within this state and improvements thereon.

(4) "Personal property" includes every species and character of property, tangible and intangible, other than real property.

(5) "Resident" means any person who has taken up a place of abode within this state with the intention of continuing to abide in this state; any person who has had his actual or habitual place of abode in this state for the larger portion of the twelve (12) months next preceding the date as of which an assessment is due to be made shall be deemed to have intended to become a resident of this state.

(6) "Compensating tax rate" means that rate which, rounded to the next higher one-tenth of one cent per one hundred dollars of assessed value and applied to the current year's assessment of the property subject to taxation by a taxing district, excluding new property and personal property, produces an amount of revenue approximately equal to that produced in the preceding year from real property. However, in no event shall the compensating tax rate be a rate which, when applied to the total current year assessment of all classes of taxable property, produces an amount of revenue less than was produced in the preceding year from all classes of taxable property. For purposes of this subsection, "property subject to taxation" means the total fair cash value of all property subject to full local rates, less the total valuation exempted from taxation by the homestead exemption provision of the Constitution and the difference between the fair cash value and agricultural or horticultural value of agricultural or horticultural land.

(7) "Net assessment growth" means the difference between:

(a) The total valuation of property subject to taxation by the county, city, school district, or special district in the preceding year, less the total valuation exempted from taxation by the homestead exemption provision of the Constitution in the current year over that exempted in the preceding year, and

(b) The total valuation of property subject to taxation by the county, city, school district, or special district for the current year.

(8) "New property" means the net difference in taxable value between real property additions and deletions to the property tax roll for the current year. "Real property additions" shall mean:

(a) Property annexed or incorporated by a municipal corporation, or any other taxing jurisdiction; however, this definition shall not apply to property acquired through the merger or consolidation of school districts, or the transfer of property from one school district to another;

(b) Property, the ownership of which has been transferred from a tax-exempt entity to a nontax-exempt entity;

(c) The value of improvements to existing nonresidential property;

(d) The value of new residential improvements to property;

(e) The value of improvements to existing residential property when the improvement increases the assessed value of the property by fifty percent (50%) or more;

(f) Property created by the subdivision of unimproved property, provided, that when such property is reclassified from farm to subdivision by the property valuation administrator, the value of such property as a farm shall be a deletion from that category;

(g) Property exempt from taxation, as an inducement for industrial or business use, at the expiration of its tax exempt status;

(h) Property, the tax rate of which will change, according to the provisions of KRS 82.085, to reflect additional urban services to be provided by the taxing jurisdiction, provided, however, that such property shall be considered "real property additions" only in proportion to the additional urban services to be provided to the property over the urban services previously provided; and

(i) The value of improvements to real property previously under assessment moratorium.

"Real property deletions" shall be limited to the value of real property removed from, or reduced over the preceding year on, the property tax roll for the current year.

(9) "Agricultural land" means any tract of land, including all income-producing improvements but excluding all residences ***and land used for residential and other nonagricultural activities***, of at least ten (10) contiguous acres in area used for the production of livestock, livestock products, poultry, poultry products and/or the growing of tobacco and/or other crops including timber, or where devoted to and meeting the requirements and qualifications for payments pursuant to agriculture programs under an agreement with the state or federal government[~~, where such activities produced an average annual gross income including payments under a state or federal program according to the following scale:~~

~~Acres~~	~~Annual Gross Incomee~~ +	~~Income Per Acre~~
~~10 to 30~~	~~$1,000~~ +	~~$60 per acre, or a fraction thereof, over 10 acres.~~
~~30 to 60~~	~~$2,200~~ +	~~$40 per acre, or a fraction thereof, over 30 acres.~~
~~60 to 100~~	~~$3,400~~ +	~~$25 per acre, or a fraction thereof, over 60 acres.~~
~~100 to 250~~	~~$4,400~~ +	~~$10 per acre, or a fraction thereof, over 100 acres.~~
~~Over 250~~	~~$5,900~~ +	~~$5 per acre, or a fraction thereof, over 250 acres.~~

~~The above annual gross income amounts must be achieved in three (3) out of the five (5) years preceding the tax year or there must be an annual gross income of these amounts within two (2) years of purchase.~~

~~Land devoted exclusively to the growing of merchantable timber or nonincome-producing woodland is excluded from the gross income provisions~~].

(10) "Horticultural land" means any tract of land, including all income-producing improvements but excluding all residences ***and land used for residential and other nonhorticultural activities***, of at least five (5) contiguous acres in area commercially used for the cultivation of a garden, orchard, or the raising of fruits or nuts, vegetables, flowers, or ornamental plants[~~; where such activities produced an average annual gross income according to the following scale:~~

~~Acres~~	~~Annual Gross Incomee~~ +	~~Income Per Acre~~
~~5 to 30~~	~~$1,000 minimum, or~~	~~$100 per acre, or a fraction thereof, over 5 acres, or whichever amount is greater.~~
~~30 to 60~~	~~$3,000~~ +	~~$50 per acre, or a fraction thereof, over 30 acres.~~
~~60 to 100~~	~~$4,500~~ +	~~$25 per acre, or a fraction thereof, over 60 acres.~~
~~100 to 250~~	~~$5,500~~ +	~~$10 per acre, or a fraction thereof, over 100 acres.~~
~~Over 250~~	~~$7,000~~ +	~~$5 per acre, or a fraction thereof, over 250 acres.~~

~~The above annual gross income amounts must be achieved in three (3) out of the five (5) years preceding the tax year or there is evidence of anticipated annual gross income of these amounts. Land devoted exclusively to the growing of merchantable timber or nonincome-producing woodland is excluded from the gross income provisions~~].

(11) "Agricultural or horticultural value" means the use value of "agricultural or horticultural land" based upon income-producing capability and comparable sales of farmland purchased for farm purposes where the price is indicative of farm use value, excluding sales representing purchases for farm expansion, better accessibility, and other factors which inflate the purchase price beyond farm use value, if any, considering the following factors as they affect a taxable unit:

(a) Relative percentages of tillable land, pasture land, and woodland;

(b) Degree of productivity of the soil;

(c) Risk of flooding;

(d) Improvements to and on the land that relate to the production of income;

(e) Row crop capability including allotted crops;

(f) Accessibility to all-weather roads and markets; and

(g) Factors which affect the general agricultural or horticultural economy, such as: interest, price of farm products, cost of farm materials and supplies, labor, or any economic factor which would affect net farm income.

(12) "Deferred tax" means the difference in the tax based on agricultural or horticultural value and the tax based on fair cash value.

(13) "Homestead" means real property maintained as the permanent residence of the owner with all land and improvements adjoining and contiguous thereto including, but not limited to, lawns, drives, flower or vegetable gardens, outbuildings, and all other land connected thereto.

(14) "Residential unit" means all or that part of real property occupied as the permanent residence of the owner.

(15) "Special benefits" are those which are provided by public works not financed through the general tax levy but through special assessments against the benefited property.

(16) "Mobile home" means a structure, transportable in one (1) or more sections, which when erected on site measures eight (8) body feet or more in width and thirty-two (32) body feet or more in length, and which is built on a permanent chassis and designed to be used as a dwelling, with or without a permanent

foundation, when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein. It may be used as a place of residence, business, profession, or trade by the owner, lessee, or their assigns and may consist of one (1) or more units that can be attached or joined together to comprise an integral unit or condominium structure.

(17) "Recreational vehicle" means a vehicular type unit primarily designed as temporary living quarters for recreational, camping, or travel use, which either has its own motive power or is mounted on or drawn by another vehicle. The basic entities are: travel trailer, camping trailer, truck camper, and motor home.

(a) Travel trailer: A vehicular unit, mounted on wheels, designed to provide temporary living quarters for recreational, camping, or travel use, and of such size or weight as not to require special highway movement permits when drawn by a motorized vehicle, and with a living area of less than two hundred twenty (220) square feet, excluding built-in equipment (such as wardrobes, closets, cabinets, kitchen units or fixtures) and bath and toilet rooms.

(b) Camping trailer: A vehicular portable unit mounted on wheels and constructed with collapsible partial side walls which fold for towing by another vehicle and unfold at the camp site to provide temporary living quarters for recreational, camping, or travel use.

(c) Truck camper: A portable unit constructed to provide temporary living quarters for recreational, travel, or camping use, consisting of a roof, floor, and sides, designed to be loaded onto and unloaded from the bed of a pick-up truck.

(d) Motor home: A vehicular unit designed to provide temporary living quarters for recreational, camping, or travel use built on or permanently attached to a self-propelled motor vehicle chassis or on a chassis cab or van which is an integral part of the completed vehicle.

Section 2. KRS 132.450 is amended to read as follows:

(1) Each property valuation administrator shall assess at its fair cash value all property which it is his duty to assess except ***that agricultural and horticultural land shall be assessed at its agricultural or horticultural value*** [~~as provided in paragraph (g) of subsection (2) of this section~~]. In the case of securities which are regularly bought and sold through stock exchanges, the price at which such property closed on the last regular business day preceding the assessment day shall be prima facie evidence of the fair cash value of such property. The property of one (1) person shall not be assessed wilfully or intentionally at a lower or higher relative value than the same class of property of another, and any grossly discriminatory valuation shall be construed as an intentional discrimination. The property valuation administrator shall make every effort, through visits with the taxpayer, personal inspection of the property, from records, from his own knowledge, from information in property schedules, and from such other evidence as he may be able to obtain, to locate, identify, and assess property.

(2) (a) ***The Revenue Cabinet shall provide guidelines and assistance to the property valuation administrator in determining eligibility for the agricultural or horticultural classification. If, in the judgment of the property valuation administrator, the eligibility is questionable, the owner shall be required to provide proof of agricultural or horticultural activity*** [~~On or before March 1 of any year the owner or owners of land devoted exclusively to agricultural or horticultural use on which the property valuation administrator has placed a value in excess of the agricultural or horticultural value may file application for valuation at the agricultural or horticultural value with the property valuation administrator of the county in which the land is located, on forms prescribed by the cabinet. This application shall be valid until the property is transferred or the land use is changed; however, the owner may elect to have the subject property assessed as other than agricultural or horticultural land for any year or years by filing a statement to that effect with the property valuation administrator prior to the close of the five (5) day period beginning on the first Monday in June~~]. In determining the total area of [~~such~~] land ***devoted to agricultural or horticultural use***, there shall be included the area of all land under farm buildings, greenhouses and like structures, lakes, ponds, streams, irrigation ditches and similar facilities, and garden plots devoted to growth of products for on-farm personal consumption but there shall be excluded, land used in connection with dwelling houses including, but not limited to, lawns, drives, flower gardens, swimming pools or other areas devoted to family recreation. ***Other land and buildings not devoted to agricultural and horticultural purposes shall also be excluded.*** Where contiguous land in agricultural or horticultural use in one (1) ownership is located in more than one county or taxing district, compliance with the minimum requirements shall be determined on the basis of the total area [~~and income~~] of such land and not the area [~~or income~~] of land which is located in the particular county or taxing district.

(b) Land devoted to agricultural or horticultural use, where the owner or owners have petitioned for, and been granted, a zoning classification other than for agricultural or horticultural purposes qualifies for the agricultural or horticultural assessment until such time as the land changes from agricultural or horticultural use to the use granted by the zoning classification. [~~At the time of the change of use, the provisions imposed by paragraph (f) of this subsection shall take effect.~~]

(c) [~~Real property devoted to agricultural or horticultural use by any corporation other than one organized primarily for agricultural or horticultural purposes is excluded from the provisions of paragraph (g) of this subsection.~~

~~(d)~~] When the use of a part of a tract of land which is ***assessed*** [~~valued and taxed~~] as agricultural or horticultural land is changed either by conveyance or other action of the owner, the right of the remaining land to be retained in the agricultural or horticultural [~~classification for~~] assessment [~~and taxation~~] shall not be impaired provided it meets the minimum requirements [~~for such classification, except that land on which there has been established a systematic pattern of change of use over a period of two (2) years is excluded from the provisions of paragraph (g) of this subsection.~~

~~(e) The owner or owners of land shall not be liable for deferred taxes for any year in which the land was not assessed for agricultural or horticultural use under the provisions of paragraph (g) of this subsection.~~

~~(f) Where a change in land use occurs in any tax year the owner of such land shall be subject to the deferred tax provisions of subsection (1) of KRS 132.454 for each of the preceding two (2) tax years in which the land was valued and taxed for agricultural or horticultural purposes.~~

~~(g) When in the opinion of the property valuation administrator any land on which an application has been filed, has a value in excess of that for agricultural or horticultural use the property valuation administrator shall enter into the tax records the value of the property according to its fair cash value. When the property valuation administrator determines that the land meets the requirements for valuation as agricultural or horticultural land, the valuation for tax purposes shall be its agricultural or horticultural value.~~

~~(h) When an application for valuation of property as agricultural or horticultural is denied, the property valuation administrator shall cause written notice to be served on the property owner in the manner provided by subsection (4) of this section. The property owner may appeal such ruling to the county board of assessment appeals as provided in KRS 133.120 or in the case of a city or special district to the appropriate appeals body for the city or district~~].

(3) ***Upon the written request of the property owner or his representative, the property valuation administrator shall provide an estimate of the fair cash value of agricultural or horticultural property. The property valuation administrator shall monitor all sales of agricultural and horticultural property and shall annually prepare an assessment/sales ratio study for agricultural and horticultural property. This study shall be submitted to the Revenue Cabinet with the property valuation administrator's recapitulation required by KRS 133.040. The Revenue Cabinet shall use this study, along with any other pertinent information, to estimate the aggregate fair cash value of property assessed at agricultural and horticultural value. This estimate shall be used in the grade classification system for property valuation administrators provided for in KRS 132.590(2)*** [~~Notwithstanding any statutory provisions to the contrary, the provisions of this section and KRS 132.454 shall apply to the assessment and taxation of agricultural or horticultural land for state, county, city or special district purposes. Any city may by ordinance establish additional tax procedures which will enable it effectively to administer the provisions of this section and KRS 132.454~~].

(4) ***When land which has been valued and taxed as agricultural land for five (5) or more consecutive years under the same ownership, fails to qualify for the classification through no other action on the part of the owner or owners other than ceasing to farm the land, the land shall retain its agricultural classification for assessment and taxation purposes. Classification as agricultural land shall expire upon change of use by the owner or owners or upon conveyance of the property to a person other than a surviving spouse.***

(5) If the property valuation administrator assesses any property, except stocks and bonds at the market value listed in recognized publications, at a greater value than that listed by the taxpayer or assesses unlisted property, the property valuation administrator shall serve notice on the taxpayer of such action. The notice shall be given by first-class mail or as provided in the Kentucky Rules of Civil Procedure.

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(1) Any person who has failed to list for taxation any property omitted from assessment, except such as is subject to assessment by the Revenue Cabinet, may at any time list such property with the property valuation administrator. The property valuation administrator shall proceed to assess any omitted real property and shall within ten (10) days from the date the real property was listed notify the taxpayer of the amount of the assessment. The notice shall be given as provided in KRS 132.450***(5)***[~~(4)~~]. The Revenue Cabinet shall assess any omitted personal property and provide notice to the taxpayer in the manner provided in KRS 131.110.

(2) The property valuation administrator may at any time list and assess any real property which may have been omitted from the regular assessment. Immediately upon listing and assessing omitted real property, the property valuation administrator shall notify the taxpayer of the amount of the assessment. The notice shall be given as provided in KRS 132.450***(5)***[~~(4)~~].

(3) The notice to the taxpayer required by subsections (1) and (2) of this section shall specify a date and time at which the county board of assessment appeals will hear the taxpayer's protest of the omitted assessment. For purposes of hearing appeals from omitted assessments the county judge/executive shall notify the chairman of the board of assessment appeals of the date set for hearing and may authorize one member of the board to hear the appeal and issue a ruling of his decision on the assessment, which shall be appealable, to the Kentucky Board of Tax Appeals as provided by KRS 131.340(2).

(4) Any property voluntarily listed as omitted property for taxation under this section shall be subject to penalties provided in KRS 132.290(3). Omitted property listed for taxation under this section by the property valuation administrator shall be subject to the penalties provided in KRS 132.290(4).

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(1) The Revenue Cabinet shall develop and administer a centralized ad valorem assessment system for intangible personal property and tangible personal property. This system shall be designed to provide on-line computer terminals and accessory equipment in every property valuation administrator's office in the state in order to create and maintain a centralized personal property tax roll data base.

(2) State income tax returns and return preparation instructions shall be revised to facilitate the preparation of the personal property tax return; however, the personal property tax return shall be a separate document and shall be listed with the property valuation administrator in the county of taxable situs according to the provisions of KRS 132.220(1) or with the Revenue Cabinet. The Revenue Cabinet shall prescribe, promulgate and provide such administrative regulations, forms and records as it deems appropriate for the listing and assessment of personal property.

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(1) Any taxpayer aggrieved by an assessment on real property made by the property valuation administrator may appeal to the board of assessment appeals. The taxpayer shall appeal his assessment by filing in person or sending a letter or other written petition stating the reasons for appeal, identifying the property for which the appeal is filed, and stating to the county clerk the taxpayer's opinion of the fair cash value of the property within the twelve (12) day period in which the inspection is held. The county clerk shall notify the Revenue Cabinet of all assessment appeals and of the date and times of the hearings. The board of assessment appeals may review and change any assessment made by the property valuation administrator upon recommendation of the Revenue Cabinet, county judge/executive, mayor of any city using the county assessment, or the superintendent of any school district in which the property is located, provided such recommendation is made to the board in writing specifying the individual properties recommended for review. If the board of assessment appeals determines that any such assessment should be increased, then it shall give the taxpayer notice in the manner required by subsection ***(5)***[~~(4)~~] of KRS 132.450, specifying a date when the board will hear the taxpayer, if he so desires, in protest of such increase. Any real property owner who has listed his property with the property valuation administrator at its fair cash value likewise may ask the county board of assessment appeals to review the assessments of real properties he believes to be assessed at less than fair cash value, providing he specifies in writing the individual properties for which the review is sought and factual information upon which his request is based, such as comparable sales or cost data. Nothing in this section shall be construed as granting any property owner the right to request a blanket review of properties or the board the power to conduct such a review.

(2) The board of assessment appeals shall hold a public hearing for each individual taxpayer appeal in protest of the assessment by the property valuation administrator filed in accordance with the provisions of subsection (1) of this section, and after hearing all the evidence, shall fix the assessment of the property at its fair cash value. The Revenue Cabinet may be present at the hearing and present any pertinent evidence as it pertains to the appeal. The board shall report to the property valuation administrator any real property omitted from the tax roll. The property valuation administrator shall assess such property and immediately give notice to the taxpayer in the manner required by KRS 132.450***(5)***[~~(4)~~], specifying a date when the board of assessment appeals will hear the taxpayer, if he so desires, in protest of the action of the property valuation administrator.

(3) The board of assessment appeals shall have power to issue subpoenas, compel the attendance of witnesses, and adopt rules and regulations concerning the conduct of its business. Any member of the board shall have power to administer oaths to any witness in proceedings before the board.

(4) The powers of the board of assessment appeals shall be limited to those specifically granted by this section.

(5) No appeal under this section shall delay the collection or payment of any taxes based upon the assessment in controversy. The taxpayer shall pay all state, county, and district taxes due on the valuation which he claims as true value and stated in the petition of appeal filed in accordance with the provisions of subsection (1) of this section. When the valuation is finally determined upon appeal, the court or the Kentucky Board of Tax Appeals shall certify the valuation to the county clerk and the taxpayer shall be billed for any additional tax and interest at the tax interest rate as defined in KRS 131.010(6) from the date when the tax would have become due if no appeal had been taken. The provisions of KRS 134.390 shall apply to such tax bill.

(6) Any member of the county board of assessment appeals may be required to give evidence in support of the board's findings in any appeal from its actions to the Kentucky Board of Tax Appeals. Any persons aggrieved by a decision of the board, including the property valuation administrator, taxpayer, and Revenue Cabinet, may appeal the decision to the Kentucky Board of Tax Appeals.

(7) It shall be the duty of the county attorney to represent the interest of the state and county in all hearings before the board of assessment appeals and on all appeals prosecuted from its decision. In the event the county attorney is unable to represent the state and county, he or the fiscal court shall arrange for substitute representation.

Section 6. KRS 132.454 is amended to read as follows:

(1) When land which is valued and taxed as agricultural or horticultural land under [~~paragraph (g) of subsection (2) of~~] KRS 132.450 is converted to any other use, that portion of the land upon which the use is changed shall be subject to deferred taxes for the current tax year [~~and the immediately preceding two (2) tax years~~], ***and*** the taxes ***shall*** [~~to~~] become a lien on the property. ***The owner of the property at the time the land use change is initiated shall, within ninety (90) days, report the change to the property valuation administrator. The owner shall also provide to the property valuation administrator information concerning the most recent sale or lease of the property, copies of any appraisal or feasibility reports made, and any other information useful in determining the fair cash value of the property.***

(2) When land becomes subject to the deferred taxes provided for in subsection (1) of this section, the property valuation administrator ***shall determine the fair cash value of the property for the current year. The notification and appeal provisions of KRS Chapters 132 and 133 relating to the assessment of omitted real property shall be followed. After the assessment is finally determined the property valuation administrator*** or other assessing official shall certify the difference in value subject to deferred tax for each of the years for which deferred taxes are due to the county clerk or other person responsible for preparation of tax bills who shall prepare a supplemental tax bill for each year computed at the rates applicable for the year for delivery to the sheriff or tax collector for collection. The bills shall be due and payable within thirty (30) days after the date of issue. If unpaid within thirty (30) days, a penalty of ten percent (10%) shall be added to these bills.

(3) The provisions of KRS Chapters 134 and 135 relating to the collection of delinquent taxes on real property shall apply to collection of the deferred taxes provided herein.

(4) If the owner fails to report the change in use to the property valuation administrator, and if the property valuation administrator otherwise fails to initiate the deferred assessment procedure, the deferred tax liability shall be subject to assessment as "omitted property."

HB 607, AN ACT relating to property tax appeals and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 131.320 is amended to read as follows:

(1) Each member of the Kentucky Board of Tax Appeals shall be a person at least thirty-five (35) years of age. One (1) member shall be an attorney with the qualifications required of candidates for Circuit Judge. ***One (1) member shall be a certified real estate appraiser under the provisions of KRS 324A.045 or the holder of a professional assessor designation under the provisions of KRS 132.385.*** The other ***member*** [~~two (2) members~~] shall be ***a person*** [~~persons~~] with ***a*** general business background [~~except that not all of the members shall be of the same occupation or profession~~].

(2) The Governor may remove any member of the board for cause after giving him a copy of the charges against him and an opportunity of being publicly heard in person or by counsel in his own defense upon not less than ten (10) days notice. If a member of the board is removed, the Governor shall file in the office of the Secretary of State a complete statement of all charges and his findings therein, and a complete record of the proceedings. Any member of the board so removed may bring action in the proper court to determine whether or not he was legally removed in accordance with this section.

(3) The members of the board shall receive an annual salary to be fixed by the Governor.

(4) The principal office of the board shall be at Frankfort, Kentucky. A majority of the board may hold hearings outside of Frankfort or as provided in subsection (5) of KRS 131.355, with a view to securing opportunity to taxpayers to appear before it with as little inconvenience and expense as practicable. The office of the board shall be open during regular working hours for the conduct of its business.

(5) The Revenue Cabinet shall conduct an orientation and training session for each new member of the board. The Revenue Cabinet shall conduct an annual seminar for all three (3) members of the board to discuss new legislation, pertinent court decisions, and cabinet policies and procedures.

Section 2. KRS 131.345 is amended to read as follows:

(1) Appeals to the Kentucky Board of Tax Appeals shall be in accordance with rules prescribed by the board. All proceedings before the board shall be de novo. Findings by the board shall be restricted to those issues raised by the parties to the appeal. In the event the board finds that other issues are necessary to a full determination of the controversy, it may remand the whole proceeding to the agency from which the appeal was prosecuted for further determination. The parties may stipulate to the determination of such other issues without remand.

(2) Any person receiving compensation to represent a property owner in an appeal before the board of a real property assessment shall be an attorney, a certified real estate appraiser, or an employee of the property owner.

Section 3. KRS 133.045 is amended to read as follows:

(1) The real property tax roll being prepared by the property valuation administrator for the current year, shall be open for inspection in the property valuation administrator's office for ***thirteen (13)*** [~~twelve (12)~~] days beginning on the first Monday in May of each year and shall be open for inspection for six (6) days each week, one (1) of which shall be Saturday. In case of necessity, the Revenue Cabinet may order a reasonable extension of time for the inspection period of the tax roll or it may order that the inspection period be at a different time than that provided herein. ***However, the final day of the inspection period shall not be Saturday, Sunday, or a legal holiday.***

(2) The property valuation administrator shall cause to be published once during the week before the beginning of the inspection period, as provided in subsection (1) of this section, in a display type advertisement, the following information:

(a) The fact that the real property tax roll is open for public inspection;

(b) The dates of the inspection period;

(c) The times available for public review of the real property tax roll; and

(d) Instructions which provide details on the manner in which a taxpayer may file an appeal, if he is aggrieved by an assessment made by the property valuation administrator.

The cost of such notice shall be paid by the fiscal court of the county. Such notice shall also be posted at the courthouse door. Failure to publish or post notices when the inspection period is at the regular time as provided in this section shall not invalidate assessments made by the property valuation administrator and recorded on the tax roll prior to the inspection period.

Section 4. KRS 133.020 is amended to read as follows:

(1) ***Beginning with the 1992 tax assessment year,*** the county board of assessment appeals [~~and any panel thereof~~] shall be composed of reputable real property owners residing in the county at least five (5) years, to be appointed [~~by the county judge/executive~~] for ***three (3)*** [~~four~~] year terms. The board shall consist of three (3) members***, one (1) to be appointed by the county judge/executive, one (1) to be appointed by the chairman of the board of education of the school district with the largest assessment, and one (1) to be appointed by the mayor of the city with the largest assessment using the county tax roll. If no city in the county uses the county assessment, the county judge/executive shall appoint two (2) members. Board members appointed prior to the effective date of this section shall be eligible for reappointment by the appointing authority if they meet the requirements of subsection (2) of this section. A board member who has served for a full term shall not be eligible for reappointment. However, he shall be eligible for appointment after a hiatus of three (3) years*** [~~appointed from the county at large; Provided, however, That when any city of the first, second or third class elects prior to January 1 of any year to adopt the county assessment as provided in KRS 132.285, the county judge/executive shall appoint as one (1) of the three (3) members of this board a person who shall have been nominated in writing by the mayor of the largest city in the county using the county assessment~~]. Should the number of appeals to the board of assessment appeals filed with the county clerk exceed one hundred (100), [~~the county judge/executive, with approval of the revenue cabinet, may appoint additional members to serve as~~] temporary panels of the board ***may be appointed with approval of the Revenue Cabinet***. Each panel shall consist of three ***(3)*** members having the same qualifications ***and appointed in the same manner*** as the board members. The number of additional panels shall not exceed one (1) for each one hundred (100) appeals in excess of the first one hundred ***(100)***. The county judge/executive shall designate one (1) of the members to serve as chairman of the board. Where additional panels are appointed, as provided herein, the chairman of the board of assessment appeals shall designate one (1) member of each additional panel as chairman of the panel. A majority of the board or of any panel may determine the action of the board or panel respectively and make decisions therefor. Each panel of the board shall have the same powers and duties given the board by KRS 133.120, except that the action of any panel shall be subject to review and final approval by the board. The ***appointing authority*** [~~county judge/executive~~] shall appoint a person having the qualifications required of the original appointee to the board to fill a vacancy resulting from any cause, but the appointee shall hold office only to the end of the unexpired term of the member replaced. [~~The county clerk shall make sufficient copies of the order of appointment and deliver a copy to each board member within a reasonable time after his appointment.~~]

(2) ***Each*** [~~One (1)~~] member of the board shall have extensive knowledge of real estate values***, preferably in real estate appraisal, sales, management, financing, or construction. In counties with cities of the first, second, or third class the member appointed by the mayor shall be a certified real estate appraiser unless the mayor provides sufficient proof to the Revenue Cabinet of his inability to secure such a person.*** [~~The remaining members shall be persons with general business or farming background.~~]

(3) The board shall be subject to call by the county judge/executive at any time prescribed by law.

(4) The members of the county board of assessment appeals, and any panel thereof, before entering upon the discharge of their duties, shall take the following oath to be administered by the county judge/executive: "You swear (affirm) that you will to the best of your ability discharge the duties required of you as a member of the county board of assessment appeals and that you will fix at fair cash value all property assessments brought before you for review as prescribed by law."

(5) The Revenue Cabinet shall prepare and furnish to each property valuation administrator guidelines and materials for an orientation and training program to be presented to the board by the property valuation administrator or his deputy each year.

Section 5. KRS 133.030 is amended to read as follows:

(1) The county board of assessment appeals shall convene at the county seat on the ***first*** [~~third~~] Monday in ***June*** [~~May~~] in each year; except that no meeting shall be held until the tax roll has been completed and the inspection period has been held as provided by law, or until revaluation of the property has been completed by the property valuation administrator at the direction of the Revenue Cabinet as provided by KRS 132.690 or by the cabinet itself as provided by KRS 133.150. All records of the property valuation administrator, including all data concerning property sales within the preceding year, shall be available to the board while meeting.

(2) The first regular meeting day of the board shall be devoted to ***the orientation and training program provided for in KRS 133.020(5), to a review of the assessment of the property valuation administrator and his deputies, and to*** a review of the appeals filed with the county clerk as clerk of the board, including a review of recent sales of comparable properties provided in accordance with the provisions of subsection (1) of this section, and an inspection of the properties involved in the appeals when in the opinion of the board such inspection will assist in the proper determination of fair cash value.

(3) The board of assessment appeals shall continue in session only such time as is necessary to hear appeals. The board shall not continue in session more than one (1) day, if there are no appeals to be heard, nor more than five (5) days after it convenes in each year, unless an extension of time is authorized by the Revenue Cabinet upon request of the county judge/executive. Each board member shall be paid ***one hundred dollars ($100)*** [~~not less than ten (10) nor more than twenty-five dollars ($25) for each day he serves, the amount to be fixed by order of the fiscal court annually prior to May 1~~]. This compensation shall be paid one-half (1/2) out of the county levy and the other half out of the state treasury.

(4) Members of temporary panels of the board shall serve [~~at the pleasure of the county judge/executive, provided, however, that their appointment shall be limited to~~] the time necessary for hearing appeals but in no case more than five (5) days except upon approval of an extension of time by the Revenue Cabinet. Compensation of panel members shall be in the same manner and at the same rate as provided for members of the board.

Section 6. KRS 133.120 is amended to read as follows:

(1) ***Any taxpayer desiring to appeal an assessment on real property made by the property valuation administrator shall first request a conference with the property valuation administrator or his designated deputy. The conference shall be held prior to or during the inspection period provided for in KRS 133.045. During this conference the property valuation administrator or his deputy shall provide an explanation to the taxpayer of the constitutional and statutory provisions governing property tax administration, including the appeal process, as well as an explanation of the procedures followed in deriving the assessed value for the taxpayer's property. The property valuation administrator or his deputy shall keep a record of each conference which shall include, but shall not be limited to, the initial assessed value, the value claimed by the taxpayer, an explanation of any changes offered or agreed to by each party, and a brief accounting of the outcome of the conference. At the request of the taxpayer the conference may be held by telephone.***

(2) Any taxpayer ***still*** aggrieved by an assessment on real property made by the property valuation administrator ***after complying with the provisions of subsection (1) of this section*** may appeal to the board of assessment appeals. The taxpayer shall appeal his assessment by filing in person or sending a letter or other written petition stating the reasons for appeal, identifying the property for which the appeal is filed, and stating to the county clerk the taxpayer's opinion of the fair cash value of the property [~~within the twelve (12) day period in which the inspection is held~~]. ***The appeal shall be filed no later than one (1) workday following the conclusion of the inspection period provided for in KRS 133.045.*** The county clerk shall notify the Revenue Cabinet of all assessment appeals and of the date and times of the hearings. The board of assessment appeals may review and change any assessment made by the property valuation administrator upon recommendation of the Revenue Cabinet, county judge/executive, mayor of any city using the county assessment, or the superintendent of any school district in which the property is located, provided such recommendation is made to the board in writing specifying the individual properties recommended for review. If the board of assessment appeals determines that any such assessment should be increased, then it shall give the taxpayer notice in the manner required by subsection (4) of KRS 132.450, specifying a date when the board will hear the taxpayer, if he so desires, in protest of such increase. Any real property owner who has listed his property with the property valuation administrator at its fair cash value likewise may ask the county board of assessment appeals to review the assessments of real properties he believes to be assessed at less than fair cash value, providing he specifies in writing the individual properties for which the review is sought and factual information upon which his request is based, such as comparable sales or cost data. Nothing in this section shall be construed as granting any property owner the right to request a blanket review of properties or the board the power to conduct such a review.

(3)[~~(2)~~] The board of assessment appeals shall hold a public hearing for each individual taxpayer appeal in protest of the assessment by the property valuation administrator filed in accordance with the provisions of subsection ***(2)***[~~(1)~~] of this section, and after hearing all the evidence, shall fix the assessment of the property at its fair cash value. The Revenue Cabinet may be present at the hearing and present any pertinent evidence as it pertains to the appeal. ***The taxpayer shall provide factual evidence to support his appeal. If the taxpayer fails to provide reasonable information pertaining to the value of the property requested by the property valuation administrator, the Revenue Cabinet, or any member of the board, his appeal shall be denied. This information shall include, but shall not be limited to, the physical characteristics of land and improvements, insurance policies, cost of construction, real estate sales listings and contracts, income and expenses statements for commercial property, and loans or mortgages.***

(4) Any person receiving compensation to represent a property owner in an appeal before the board shall be an attorney, a certified real estate appraiser, or an employee of the taxpayer.

(5) The board shall provide a written opinion justifying its action for each assessment either decreased or increased in the record of its proceedings and orders required in KRS 133.125 on forms or in a format provided or approved by the Revenue Cabinet.

(6) The board shall report to the property valuation administrator any real property omitted from the tax roll. The property valuation administrator shall assess such property and immediately give notice to the taxpayer in the manner required by KRS 132.450(4), specifying a date when the board of assessment appeals will hear the taxpayer, if he so desires, in protest of the action of the property valuation administrator.

(7)[~~(3)~~] The board of assessment appeals shall have power to issue subpoenas, compel the attendance of witnesses, and adopt rules and regulations concerning the conduct of its business. Any member of the board shall have power to administer oaths to any witness in proceedings before the board.

(8)[~~(4)~~] The powers of the board of assessment appeals shall be limited to those specifically granted by this section.

(9)[~~(5)~~] No appeal [~~under this section~~] shall delay the collection or payment of any taxes based upon the assessment in controversy. The taxpayer shall pay all state, county, and district taxes due on the valuation which he claims as true value and stated in the petition of appeal filed in accordance with the provisions of subsection (1) of this section. When the valuation is finally determined upon appeal[~~, the court or the Kentucky Board of Tax Appeals shall certify the valuation to the county clerk and~~] the taxpayer shall be billed for any additional tax and interest at the tax interest rate as defined in KRS 131.010(6) from the date when the tax would have become due if no appeal had been taken. The provisions of KRS 134.390 shall apply to such tax bill.

(10)[~~(6)~~] Any member of the county board of assessment appeals may be required to give evidence in support of the board's findings in any appeal from its actions to the Kentucky Board of Tax Appeals. Any persons aggrieved by a decision of the board, including the property valuation administrator, taxpayer, and Revenue Cabinet, may appeal the decision to the Kentucky Board of Tax Appeals. ***Any taxpayer failing to appeal to the county board of assessment appeals, or failing to appear before the board, shall not be eligible to appeal directly to the Kentucky Board of Tax Appeals.***

(11)[~~(7)~~] It shall be the duty of the county attorney to represent the interest of the state and county in all hearings before the board of assessment appeals and on all appeals prosecuted from its decision. In the event the county attorney is unable to represent the state and county, he or the fiscal court shall arrange for substitute representation.

Section 7. KRS 133.125 is amended to read as follows:

(1) ***No later than three (3) working days after the expiration of the inspection period provided for in KRS 133.045 the county clerk shall provide a copy to the property valuation administrator of each appeal petition and a summary of the appeals filed with the county board of assessment appeals. The summary shall be in a format, or on a form, provided or approved by the Revenue Cabinet. The property valuation administrator shall, within three (3) working days of receipt of the summary, prepare and submit to the Revenue Cabinet a final recapitulation of the real property tax roll incorporating all changes made since the submission of the first recapitulation. Those properties, under appeal shall be listed for recapitulation and certification purposes at the value claimed by the taxpayer. After submission of the final recapitulation to the Revenue Cabinet, assessments shall not be amended except for adjustments ordered by the board and for corrections made under the provisions of KRS 133.110 and KRS 133.130.***

(2) The county clerk, or an authorized deputy, shall act as clerk of the board of assessment appeals; and where additional board panels are appointed, as provided by law, one (1) authorized deputy shall act as clerk for each panel. An accurate record of the proceedings and orders of the board and of each of its authorized panels shall be kept and shall show the name of the owner of the property, the description, the type of property, the amount of the assessment the property valuation administrator placed on the property, and the amount of change made in the assessment by the board. A copy certified by the chairman of the board and attested by the county clerk shall be filed by the clerk with the property valuation administrator and with the Revenue Cabinet within five (5) days after the adjournment of the board.

[~~(2) After receipt of the clerk's certification of the action of the board of assessment appeals, the property valuation administrator shall complete his rolls by adding to them all listings and assessments which he may have made after the rolls were open for inspection as provided in KRS 133.045 and making all adjustments~~

~~ordered by the board, and he shall turn the rolls over to the clerk within ten (10) days after the board adjourns. Whereupon the clerk shall make a recapitulation of the assessment by taxing districts and types of property and shall submit such recapitulation to the Revenue Cabinet not later than June 15, unless the time is extended by the cabinet.~~]

(3) The county clerk shall certify to the county judge/executive the number of days during which the board was in session, and the court shall enter this fact of record along with the amount due the board members for their services. On a presentation of a copy of the order, the Finance and Administration Cabinet shall draw a warrant on the State Treasurer in favor of the board members and clerk for the amount due for their services.

(4) The county clerk and any authorized deputies serving as clerk of the board or a panel thereof shall be allowed the same compensation per day for their services as is allowed to members of the board of their county, and they shall be paid in the same manner as members of the board are paid. The county clerk and his authorized deputies shall be allowed compensation for completing and filing the record of the board [~~and for preparing the recapitulation~~] in the same manner as allowed for their services while acting as clerk of the board or clerk of a panel of the board.

[~~(5) The county clerk shall not permit property valuation assessments listed on the property tax roll to be amended after the recapitulation is submitted to the Revenue Cabinet.~~]

Section 8. KRS 133.170 is amended to read as follows:

(1) When the Revenue Cabinet has completed its equalization of the assessment of the property in any county, it shall certify its action to the county judge/executive, with a copy of the certification for the county clerk, to be laid before the fiscal court of the county.

(2) If the fiscal court deems it proper to ask for a review of the aggregate equalization of any class or subclass of property, it shall direct the county attorney to prosecute an appeal of the aggregate increase to the Kentucky Board of Tax Appeals within ten (10) days from the date of the certification.

(3) Within ten (10) days from the date that the cabinet's aggregate equalization of any or all classes or subclasses of property becomes final by failure of the fiscal court to prosecute an appeal or by order of the Kentucky Board of Tax Appeals or the courts, the fiscal court shall cause to be published, at least one (1) time, in the newspaper having the largest circulation within the county, a public notice of the cabinet's action.

(4) Within ten (10) days from the date of the publication of the notice required in subsection (3) of this section, any individual taxpayer whose property assessment is increased above its fair cash value by the equalization action may file with the county clerk an application for exoneration of his property assessment from the increase. The application shall be filed in duplicate and shall include the name and address of the person in whose name the property is assessed; the assessment of the property before the increase; the description and location of the property including the description shown on the tax roll; the property owner's reason for appeal; and all other pertinent facts having a bearing upon its value. The county clerk shall forward one (1) copy, of each application for exoneration to the Revenue Cabinet and shall exclude the amount of the equalization increase from the assessment in the preparation of the property tax bill for each property for which an application for exoneration has been filed.

(5) The county judge/executive shall reconvene the board of supervisors immediately following the close of the period for filing applications for exoneration from the increase. The board shall schedule and conduct hearings on all applications in the manner prescribed for hearing appeals by KRS 133.120; however, the board shall not have authority to reduce any assessment to an amount less than that listed for the property at the time of adjournment of the regular board session.

(6) The county clerk shall act as clerk of the reconvened board and shall keep an accurate record of the proceedings in the same manner as provided by KRS 133.125. Within five (5) days of the adjournment of the reconvened board, he shall notify each property owner in writing of the final action of the board with relation to the equalization increase and shall forward a copy of the proceedings certified by the chairman of the board and attested by him to the Revenue Cabinet and to the other taxing districts participating in the tax.

(7) Any taxpayer whose application has been denied, in whole or in part, may appeal to the Kentucky Board of Tax Appeals as provided in KRS 131.340, and appeals thereafter may be taken to the courts as provided in KRS 131.370.

(8) The provisions of KRS 133.120***(9)***[~~(5)~~] shall apply to the payment of taxes upon any property assessment for which an application for exoneration has been filed.

(9) The provisions of subsections (4), (5), (6), (7), and (8) of this section shall only apply to appeals growing out of equalization action by the Revenue Cabinet under the provisions of KRS 133.150.

Section 9. Whereas the property tax appeal process is a major component in ensuring that all property is assessed in a fair and equitable manner, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

The Committee Substitute to **HB 607** is as follows:

HB 607, AN ACT relating to property tax appeals and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 131.320 is amended to read as follows:

(1) [~~Each member of the Kentucky Board of Tax Appeals shall be a person at least thirty-five (35) years of age.~~] One (1) member ***of the Kentucky Board of Tax Appeals*** shall be an attorney with the qualifications required of candidates for Circuit Judge. ***One (1) member shall be a certified real estate appraiser under the provisions of KRS 324A.045 or the holder of a professional assessor designation under the provisions of KRS 132.385.*** The other ***member*** [~~two (2) members~~] shall be ***a person*** [~~persons~~] with ***a*** general business background [~~except that not all of the members shall be of the same occupation or profession~~].

(2) The Governor may remove any member of the board for cause after giving him a copy of the charges against him and an opportunity of being publicly heard in person or by counsel in his own defense upon not less than ten (10) days notice. If a member of the board is removed, the Governor shall file in the office of the Secretary of State a complete statement of all charges and his findings therein, and a complete record of the proceedings. Any member of the board so removed may bring action in the proper court to determine whether or not he was legally removed in accordance with this section.

(3) The members of the board shall receive an annual salary to be fixed by the Governor.

(4) The principal office of the board shall be at Frankfort, Kentucky. A majority of the board may hold hearings outside of Frankfort or as provided in subsection (5) of KRS 131.355, with a view to securing opportunity to taxpayers to appear before it with as little inconvenience and expense as practicable. The office of the board shall be open during regular working hours for the conduct of its business.

(5) The Revenue Cabinet shall conduct an orientation and training session for each new member of the board. The Revenue Cabinet shall conduct an annual seminar for all three (3) members of the board to discuss new legislation, pertinent court decisions, and cabinet policies and procedures.

Section 2. KRS 131.345 is amended to read as follows:

(1) Appeals to the Kentucky Board of Tax Appeals shall be in accordance with rules prescribed by the board. All proceedings before the board shall be de novo. Findings by the board shall be restricted to those issues raised by the parties to the appeal. In the event the board finds that other issues are necessary to a full determination of the controversy, it may remand the whole proceeding to the agency from which the appeal was prosecuted for further determination. The parties may stipulate to the determination of such other issues without remand.

(2) Any person receiving compensation to represent a property owner in an appeal before the board of a real property assessment shall be an attorney, a certified real estate appraiser, a Kentucky licensed real estate broker, or an employee of the property owner.

Section 3. KRS 133.045 is amended to read as follows:

(1) The real property tax roll being prepared by the property valuation administrator for the current year, shall be open for inspection in the property valuation administrator's office for ***thirteen (13)*** [~~twelve (12)~~] days beginning on the first Monday in May of each year and shall be open for inspection for six (6) days each week, one (1) of which shall be Saturday. In case of necessity, the Revenue Cabinet may order a reasonable extension of time for the inspection period of the tax roll or it may order that the inspection period be at a different time than that provided herein. ***However, the final day of the inspection period shall not be Saturday, Sunday, or a legal holiday.***

(2) The property valuation administrator shall cause to be published once during the week before the beginning of the inspection period, as provided in subsection (1) of this section, in a display type advertisement, the following information:

(a) The fact that the real property tax roll is open for public inspection;

(b) The dates of the inspection period;

(c) The times available for public review of the real property tax roll; and

(d) Instructions which provide details on the manner in which a taxpayer may file an appeal, if he is aggrieved by an assessment made by the property valuation administrator.

The cost of such notice shall be paid by the fiscal court of the county. Such notice shall also be posted at the courthouse door. Failure to publish or post notices when the inspection period is at the regular time as provided in this section shall not invalidate assessments made by the property valuation administrator and recorded on the tax roll prior to the inspection period.

Section 4. KRS 133.020 is amended to read as follows:

(1) ***Beginning with the 1992 tax assessment year,*** the county board of assessment appeals [~~and any panel thereof~~] shall be composed of reputable real property owners residing in the county at least five (5) years, to be appointed [~~by the county judge/executive~~] for ***three (3)*** [~~four~~] year terms. The board shall consist of three (3) members***, one (1) to be appointed by the county judge/executive, one (1) to be appointed by the fiscal court, and one (1) to be appointed by the mayor of the city with the largest assessment using the county tax roll. If no city in the county uses the county assessment, the county judge/executive shall appoint two (2) members. Board members appointed prior to the effective date of this section shall be eligible for reappointment by the appointing authority if they meet the requirements of subsection (2) of this section. A board member who has served for a full term shall not be eligible for reappointment. However, he shall be eligible for appointment after a hiatus of three (3) years*** [~~appointed from the county at large; Provided, however, That when any city of the first, second or third class elects prior to January 1 of any year to adopt the county assessment as provided in KRS 132.285, the county judge/executive shall appoint as one (1) of the three (3) members of this board a person who shall have been nominated in writing by the mayor of the largest city in the county using the county assessment~~]. Should the number of appeals to the board of assessment appeals filed with the county clerk exceed one hundred (100), [~~the county judge/executive, with approval of the revenue cabinet, may appoint additional members to serve as~~] temporary panels of the board ***may be appointed with approval of the Revenue Cabinet***. Each panel shall consist of three ***(3)*** members having the same qualifications ***and appointed in the same manner*** as the board members. The number of additional panels shall not exceed one (1) for each one hundred (100) appeals in excess of the first one hundred ***(100)***. The county judge/executive shall designate one (1) of the members to serve as chairman of the board. Where additional panels are appointed, as provided herein, the chairman of the board of assessment appeals shall designate one (1) member of each additional panel as chairman of the panel. A majority of the board or of any panel may determine the action of the board or panel respectively and make decisions therefor. Each panel of the board shall have the same powers and duties given the board by KRS 133.120, except that the action of any panel shall be subject to review and final approval by the board. The ***appointing authority*** [~~county judge/executive~~] shall appoint a person having the qualifications required of the original appointee to the board to fill a vacancy resulting from any cause, but the appointee shall hold office only to the end of the unexpired term of the member replaced. [~~The county clerk shall make sufficient copies of the order of appointment and deliver a copy to each board member within a reasonable time after his appointment.~~]

(2) ***Each*** [~~One (1)~~] member of the board shall have extensive knowledge of real estate values***, preferably in real estate appraisal, sales, management, financing, or construction. In counties with cities of the first, second, or third class the member appointed by the mayor shall be a certified real estate appraiser unless the mayor provides sufficient proof to the Revenue Cabinet of his inability to secure such a person.*** [~~The remaining members shall be persons with general business or farming background.~~]

(3) The board shall be subject to call by the county judge/executive at any time prescribed by law.

(4) The members of the county board of assessment appeals, and any panel thereof, before entering upon the discharge of their duties, shall take the following oath to be administered by the county judge/executive: "You swear (affirm) that you will to the best of your ability discharge the duties required of you as a member of the county board of assessment appeals and that you will fix at fair cash value all property assessments brought before you for review as prescribed by law."

(5) The Revenue Cabinet shall prepare and furnish to each property valuation administrator guidelines and materials for an orientation and training program to be presented to the board by the property valuation administrator or his deputy each year.

Section 5. KRS 133.030 is amended to read as follows:

(1) The county board of assessment appeals shall convene ***each year*** at the county seat ***no earlier than twenty-five (25) days and no later than thirty-five (35) days following the conclusion of the tax roll inspection period provided for in KRS 133.045*** [~~on the third Monday in May in each year~~]; except that no meeting shall be held until the tax roll has been completed and the inspection period has been held as provided by law, or until revaluation of the property has been completed by the property valuation administrator at the direction of the Revenue Cabinet as provided by KRS 132.690 or by the cabinet itself as provided by KRS 133.150. All records of the property valuation administrator, including all data concerning property sales within the preceding year, shall be available to the board while meeting.

(2) The first regular meeting day of the board shall be devoted to ***the orientation and training program provided for in KRS 133.020(5), to a review of the assessment of the property valuation administrator and his deputies, and to*** a review of the appeals filed with the county clerk as clerk of the board, including a review of recent sales of comparable properties provided in accordance with the provisions of subsection (1) of this section, and an inspection of the properties involved in the appeals when in the opinion of the board such inspection will assist in the proper determination of fair cash value.

(3) The board of assessment appeals shall continue in session only such time as is necessary to hear appeals. The board shall not continue in session more than one (1) day, if there are no appeals to be heard, nor more than five (5) days after it convenes in each year, unless an extension of time is authorized by the Revenue Cabinet upon request of the county judge/executive. Each board member shall be paid ***one hundred dollars ($100)*** [~~not less than ten (10) nor more than twenty-five dollars ($25)~~] for each day he serves[~~, the amount to be fixed by order of the fiscal court annually prior to May 1~~]. This compensation shall be paid one-half (1/2) out of the county levy and the other half out of the State Treasury.

(4) Members of temporary panels of the board shall serve [~~at the pleasure of the county judge/executive, provided, however, that their appointment shall be limited to~~] the time necessary for hearing appeals but in no case more than five (5) days except upon approval of an extension of time by the Revenue Cabinet. Compensation of panel members shall be in the same manner and at the same rate as provided for members of the board.

Section 6. KRS 133.120 is amended to read as follows:

(1) Any taxpayer desiring to appeal an assessment on real property made by the property valuation administrator shall first request a conference with the property valuation administrator or his designated deputy. The conference shall be held prior to or during the inspection period provided for in KRS 133.045. During this conference the property valuation administrator or his deputy shall provide an explanation to the taxpayer of the constitutional and statutory provisions governing property tax administration, including the appeal process, as well as an explanation of the procedures followed in deriving the assessed value for the taxpayer's property. The property valuation administrator or his deputy shall keep a record of each conference which shall include, but shall not be limited to, the initial assessed value, the value claimed by the taxpayer, an explanation of any changes offered or agreed to by each party, and a brief accounting of the outcome of the conference. At the request of the taxpayer the conference may be held by telephone.

(2) Any taxpayer ***still*** aggrieved by an assessment on real property made by the property valuation administrator ***after complying with the provisions of subsection (1) of this section*** may appeal to the board of assessment appeals. The taxpayer shall appeal his assessment by filing in person or sending a letter or other written petition stating the reasons for appeal, identifying the property for which the appeal is filed, and stating to the county clerk the taxpayer's opinion of the fair cash value of the property [~~within the twelve (12) day period in which the inspection is held~~]. ***The appeal shall be filed no later than one (1) workday following the conclusion of the inspection period provided for in KRS 133.045.*** The county clerk shall notify the Revenue Cabinet of all assessment appeals and of the date and times of the hearings. The board of assessment appeals may review and change any assessment made by the property valuation administrator upon recommendation of the Revenue Cabinet, county judge/executive, mayor of any city using the county assessment, or the superintendent of any school district in which the property is located, provided such recommendation is made to the board in writing specifying the individual properties recommended for review. If the board of assessment appeals determines that any such assessment should be increased, then it shall give the taxpayer notice in the manner required by subsection (4) of KRS 132.450, specifying a date when the board will hear the taxpayer, if he so desires, in protest of such increase. Any real property owner who has listed his property with the property valuation administrator at its fair cash value likewise may ask the county board of assessment appeals to review the assessments of real properties he believes to be assessed at less than fair cash value, providing he specifies in writing the individual properties for which the review is sought and factual information upon which his request is based, such as comparable sales or cost data. Nothing in this section shall be construed as granting any property owner the right to request a blanket review of properties or the board the power to conduct such a review.

(3)[~~(2)~~] The board of assessment appeals shall hold a public hearing for each individual taxpayer appeal in protest of the assessment by the property valuation administrator filed in accordance with the provisions of subsection *(2)*[~~(1)~~] of this section, and after hearing all the evidence, shall fix the assessment of the property at its fair cash value. The Revenue Cabinet may be present at the hearing and present any pertinent evidence as it pertains to the appeal. ***The taxpayer shall provide factual evidence to support his appeal. If the taxpayer fails to provide reasonable information pertaining to the value of the property requested by the property valuation administrator, the Revenue Cabinet, or any member of the board, his appeal shall be denied. This information shall include, but shall not be limited to, the physical characteristics of land and improvements, insurance policies, cost of construction, real estate sales listings and contracts, income and expenses statements for commercial property, and loans or mortgages.***

(4) Any person receiving compensation to represent a property owner in an appeal before the board shall be an attorney, a certified real estate appraiser, a Kentucky licensed real estate broker, or an employee of the taxpayer.

(5) The board shall provide a written opinion justifying its action for each assessment either decreased or increased in the record of its proceedings and orders required in KRS 133.125 on forms or in a format provided or approved by the Revenue Cabinet.

(6) The board shall report to the property valuation administrator any real property omitted from the tax roll. The property valuation administrator shall assess such property and immediately give notice to the taxpayer in the manner required by KRS 132.450(4), specifying a date when the board of assessment appeals will hear the taxpayer, if he so desires, in protest of the action of the property valuation administrator.

(7)[~~(3)~~] The board of assessment appeals shall have power to issue subpoenas, compel the attendance of witnesses, and adopt rules and regulations concerning the conduct of its business. Any member of the board shall have power to administer oaths to any witness in proceedings before the board.

(8)[~~(4)~~] The powers of the board of assessment appeals shall be limited to those specifically granted by this section.

(9)[~~(5)~~] No appeal [~~under this section~~] shall delay the collection or payment of any taxes based upon the assessment in controversy. The taxpayer shall pay all state, county, and district taxes due on the valuation which he claims as true value and stated in the petition of appeal filed in accordance with the provisions of subsection (1) of this section. When the valuation is finally determined upon appeal[~~, the court or the Kentucky Board of Tax Appeals shall certify the valuation to the county clerk and~~] the taxpayer shall be billed for any additional tax and interest at the tax interest rate as defined in KRS 131.010(6) from the date when the tax would have become due if no appeal had been taken. The provisions of KRS 134.390 shall apply to such tax bill.

(10)[~~(6)~~] Any member of the county board of assessment appeals may be required to give evidence in support of the board's findings in any appeal from its actions to the Kentucky Board of Tax Appeals. Any persons aggrieved by a decision of the board, including the property valuation administrator, taxpayer, and Revenue Cabinet, may appeal the decision to the Kentucky Board of Tax Appeals. ***Any taxpayer failing to appeal to the county board of assessment appeals, or failing to appear before the board, either in person or by designated representative, shall not be eligible to appeal directly to the Kentucky Board of Tax Appeals.***

(11)[~~(7)~~] It shall be the duty of the county attorney to represent the interest of the state and county in all hearings before the board of assessment appeals and on all appeals prosecuted from its decision. In the event the county attorney is unable to represent the state and county, he or the fiscal court shall arrange for substitute representation.

Section 7. KRS 133.125 is amended to read as follows:

(1) ***No later than three (3) working days after the expiration of the inspection period provided for in KRS 133.045 the county clerk shall provide a copy to the property valuation administrator of each appeal petition and a summary of the appeals filed with the county board of assessment appeals. The summary shall be in a format, or on a form, provided or approved by the Revenue Cabinet. The property valuation administrator shall, within three (3) working days of receipt of the summary, prepare and submit to the***

Revenue Cabinet a final recapitulation of the real property tax roll incorporating all changes made since the submission of the first recapitulation. Those properties, under appeal shall be listed for recapitulation and certification purposes at the value claimed by the taxpayer. After submission of the final recapitulation to the Revenue Cabinet, assessments shall not be amended except for adjustments ordered by the board and for corrections made under the provisions of KRS 133.110 and KRS 133.130.

(2) The county clerk, or an authorized deputy, shall act as clerk of the board of assessment appeals; and where additional board panels are appointed, as provided by law, one (1) authorized deputy shall act as clerk for each panel. An accurate record of the proceedings and orders of the board and of each of its authorized panels shall be kept and shall show the name of the owner of the property, the description, the type of property, the amount of the assessment the property valuation administrator placed on the property, and the amount of change made in the assessment by the board. A copy certified by the chairman of the board and attested by the county clerk shall be filed by the clerk with the property valuation administrator and with the Revenue Cabinet within five (5) days after the adjournment of the board.

[~~(2) After receipt of the clerk's certification of the action of the board of assessment appeals, the property valuation administrator shall complete his rolls by adding to them all listings and assessments which he may have made after the rolls were open for inspection as provided in KRS 133.045 and making all adjustments ordered by the board, and he shall turn the rolls over to the clerk within ten (10) days after the board adjourns. Whereupon the clerk shall make a recapitulation of the assessment by taxing districts and types of property and shall submit such recapitulation to the Revenue Cabinet not later than June 15, unless the time is extended by the cabinet.~~]

(3) The county clerk shall certify to the county judge/executive the number of days during which the board was in session, and the court shall enter this fact of record along with the amount due the board members for their services. On a presentation of a copy of the order, the Finance and Administration Cabinet shall draw a warrant on the State Treasurer in favor of the board members and clerk for the amount due for their services.

(4) The county clerk and any authorized deputies serving as clerk of the board or a panel thereof shall be allowed the same compensation per day for their services as is allowed to members of the board of their county, and they shall be paid in the same manner as members of the board are paid. The county clerk and his authorized deputies shall be allowed compensation for completing and filing the record of the board [~~and for preparing the recapitulation~~] in the same manner as allowed for their services while acting as clerk of the board or clerk of a panel of the board.

[~~(5) The county clerk shall not permit property valuation assessments listed on the property tax roll to be amended after the recapitulation is submitted to the Revenue Cabinet.~~]

Section 8. KRS 133.170 is amended to read as follows:

(1) When the Revenue Cabinet has completed its equalization of the assessment of the property in any county, it shall certify its action to the county judge/executive, with a copy of the certification for the county clerk, to be laid before the fiscal court of the county.

(2) If the fiscal court deems it proper to ask for a review of the aggregate equalization of any class or subclass of property, it shall direct the county attorney to prosecute an appeal of the aggregate increase to the Kentucky Board of Tax Appeals within ten (10) days from the date of the certification.

(3) Within ten (10) days from the date that the cabinet's aggregate equalization of any or all classes or subclasses of property becomes final by failure of the fiscal court to prosecute an appeal or by order of the Kentucky Board of Tax Appeals or the courts, the fiscal court shall cause to be published, at least one (1) time, in the newspaper having the largest circulation within the county, a public notice of the cabinet's action.

(4) Within ten (10) days from the date of the publication of the notice required in subsection (3) of this section, any individual taxpayer whose property assessment is increased above its fair cash value by the equalization action may file with the county clerk an application for exoneration of his property assessment from the increase. The application shall be filed in duplicate and shall include the name and address of the person in whose name the property is assessed; the assessment of the property before the increase; the description and location of the property including the description shown on the tax roll; the property owner's reason for appeal; and all other pertinent facts having a bearing upon its value. The county clerk shall forward one (1) copy, of each application for exoneration to the Revenue Cabinet and shall exclude the amount of the equalization increase from the assessment in the preparation of the property tax bill for each property for which an application for exoneration has been filed.

(5) The county judge/executive shall reconvene the board of supervisors immediately following the close of the period for filing applications for exoneration from the increase. The board shall schedule and conduct hearings on all applications in the manner prescribed for hearing appeals by KRS 133.120; however, the board shall not have authority to reduce any assessment to an amount less than that listed for the property at the time of adjournment of the regular board session.

(6) The county clerk shall act as clerk of the reconvened board and shall keep an accurate record of the proceedings in the same manner as provided by KRS 133.125. Within five (5) days of the adjournment of the reconvened board, he shall notify each property owner in writing of the final action of the board with relation to the equalization increase and shall forward a copy of the proceedings certified by the chairman of the board and attested by him to the Revenue Cabinet and to the other taxing districts participating in the tax.

(7) Any taxpayer whose application has been denied, in whole or in part, may appeal to the Kentucky Board of Tax Appeals as provided in KRS 131.340, and appeals thereafter may be taken to the courts as provided in KRS 131.370.

(8) The provisions of KRS 133.120***(9)***[~~(5)~~] shall apply to the payment of taxes upon any property assessment for which an application for exoneration has been filed.

(9) The provisions of subsections (4), (5), (6), (7), and (8) of this section shall only apply to appeals growing out of equalization action by the Revenue Cabinet under the provisions of KRS 133.150.

Section 9. Whereas the property tax appeal process is a major component in ensuring that all property is assessed in a fair and equitable manner, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

Motions, Petitions and Communications (Continued)

The following members filed requests to have their names added as co-sponsors of Bills: **HB 424**, Representative Ackerson; **HB 424**, **HB 748**, by Representative Donnermeyer; **HB 615**, Representative B. Smith; **HB 662**, **HB 754**, Representative Altman; **HB 800**, Representative Richardson; **HB 810**, Representative Freibert; **HB 821**, Representative Wayne; **HB 827**, Representative Jones; **HB 847**, Representatives Maggard, Mason; **HB 857**, Representative Bruce.

Representative Sheehan moved that **HB 236** be withdrawn. Agreed.

Representative Moberly moved that **HB 743** be withdrawn. Agreed.

Representative Ridley moved that **HB 127** be withdrawn. Agreed.

Representative Nelson moved the adoption of the following **HR 161**:

HR 161, A RESOLUTION adjourning in loving memory of Jackie Dukes, Muhlenberg County Jailer.

With deepest respect, we pay homage and tribute to Jackie Dukes.

WHEREAS, Jackie Dukes, of Greenville, was prematurely taken from us at age 52, and crossed these earthly bounds on February 26, 1992; and

WHEREAS, Jackie Dukes became Muhlenberg County Jailer in 1974, and lobbied hard to replace the county's sixty-five year-old facility with the state-of-the-art jail that was completed in 1977; and

WHEREAS, Governor Brereton Jones mourned the loss of Jackie Dukes in saying that "Jackie loved his country, he loved his state, and he loved this county. He is worthy of the greatest tribute we can bestow"; and

WHEREAS, Jackie Dukes loved kids and sports and was a great supporter of Muhlenberg South High School, and the Little League programs, and charities supported by the Central City Masonic Lodge;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this esteemed institution does hereby express its profound sense of loss upon the passing of Jackie Dukes and extends to his family its most heartfelt sympathy.

Section 1.* That when the House adjourns this day, it does so in loving memory and honor of Jackie Dukes.

Section 2. That the Clerk of the House is directed to transmit a copy of this Resolution to Lois Dukes, 200 Martin Street, Greenville, Kentucky 42345.

HR 161 was adopted by voice vote.

Representative L. Clark moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative L. Clark moved that he be recorded as voting "yea" on **HB 141**. Agreed.

Representative T. Smith moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative T. Smith moved that he be recorded as voting "yea" on **HB 141**. Agreed.

Representative Barrows moved the rules be suspended for the purpose of recording votes. Agreed.

Representative Barrows moved that he be recorded as voting "yea" on **HB 112**, **HB 424** and **HB 342**. Agreed.

Representative Collins moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Collins moved that he be recorded as voting "yea" on **HB 136**. Agreed.

Representative B. Smith moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative B. Smith moved that he be recorded as voting "yea" on **HB 455**. Agreed.

Representative Hancock moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Hancock moved that he be recorded as voting "yea" on **HB 424**. Agreed.

Representative Adkins moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Adkins moved that he be recorded as voting "yea" on **HB 537**. Agreed.

Announcements

The following meetings were announced:

Appropriations and Revenue, March 6, 1992, upon adjournment.

Elections and Constitutional Amendments, 9:00 a.m., March 5, 1992, Room 131.

Adjournment

Representative Stumbo moved that the House adjourn until 2:00 p.m., Thursday, March 5, 1992.

On the roll call the vote was yeas 78—Ackerson, Adkins, Altman, Ark, Arnold, Ballard, Bentley, Blandford, Brown, Bruce, Bryant, Butler, Callahan, Casebier, Castleman, L. Clark, P. Clark, Clarke, Collins, Crupper, Curd, Cyrus, Donnermeyer, Farley, Farrow, Freibert, Gee, Gedling, Geveden, Gray, Gregory, Hancock, J. Harper, K. Harper, Hatcher, Jensen, Johnson, Jones, Keith, Kerr, Lear, Lyne, Mack, Mason, McElroy, Moberly, Morris, Mullinix, Napier, Noe, Noland, Northup, Nunn, Palumbo, Rapier, Ravenscraft, Reinhardt, Richards, Richardson, Ridley, Riner, Sanders, Scorsone, Sheehan, B. Smith, T Smith, Strong, Stumbo, Toby, Todd, Turner, Walker, Wayne, Ward, Williams, Worthington, Yates, Zimmerman. Nays 4—Bronger, Heleringer, LeMaster, Lile.

The motion to adjourn was adopted.

THURSDAY, MARCH 5, 1992

THIRTY-EIGHTH LEGISLATIVE DAY

The House was called to order by Speaker Blandford.

Prayer by Reverend Larry Carte, Pleasant View Baptist Church, Williamsburg.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative McElroy moved that the reading of the Journal of March 4, 1992 be dispensed with and the same approved. Agreed.

Floor Amendments

Floor Amendment No. 1 to **HB 345**, by Representative Long:

Amend printed copy of **HB 345** as follows:

On page 9, line 14,

After "***privilege***" by inserting "***, or by court order***"

And on page 9, line 17,

After "***board***" by deleting the comma "***,***" and inserting in lieu thereof "***and***"

And on page 9, line 17,

After "***agents***" by deleting "***, and employees***"

Floor Amendment No. 2 to the Committee Substitute to **HB 597**, by Representative Farrow:

Amend printed copy of **HB 597/HCS** as follows:

On page 1, after line 13 by adding:

"(4) If the retail purchaser fails to comply with Subsection (1) and (2) of this section, the county clerk shall notify the county attorney of the non-compliance. The county attorney shall notify the retail purchaser that he is in violation of KRS 304.99-060 and the purchaser shall be subject to the penalities therein."

Senate Message

Announcing passage of **SB 220**, **SB 237**, **SB 248**, **SB 267**. (Time: 2:03 p.m.)

Report on Enrolled Bills

The Committee on Enrollment reported that **HB 136** and **HB 342** have been examined and found correctly enrolled. Said Bills were read at length, compared and signed in open session by the Speaker, and ordered delivered to the Senate. (Time - 2:04 p.m.)

HB 136 and **HB 342** were delivered to the Senate and signed by the President. Delivered to the Governor on March 5, 1992 at 2:17 p.m.

Introduction of Bills and Resolutions

HB 876, by Representative Ballard: AN ACT relating to the state lottery.

HB 877, by Representative Collins: AN ACT relating to insurance.

HB 878, by Representative Gregory: AN ACT relating to building construction.

HB 879, by Representative Lewis: AN ACT relating to crimes and punishments.

HB 880, by Representatives Gedling, Crupper, Napier and Lyne: AN ACT relating to the tobacco farmer's revitalization program and making an appropriation.

HB 881, by Representative Palumbo: AN ACT relating to child sexual abuse.

HB 882, by Representative B. Smith: AN ACT relating to public utilities.

HB 883, by Representative Rapier: AN ACT relating to retirement.

HB 884, by Representatives Williams and Kerr: AN ACT relating to education.

HB 885, by Representative Noland: AN ACT relating to jailers.

HB 886, by Representative Nunn: AN ACT relating to overtime pay.

HB 887, by Representatives Nunn and Keith: AN ACT relating to motor vehicle insurance.

HB 888, by Representative K. Harper: AN ACT relating to school finance.

HR 168, by Representative Richardson: A RESOLUTION recognizing Clark County's two hundredth anniversary which coincides with Kentucky's Bicentennial Celebration.

HCR 169, by Representatives Johnson, Williams, Walker, Sheehan, Wayne, Richardson, Gregory, Ward and Todd: A CONCURRENT RESOLUTION to study methods of making Kentucky a more attractive location site for retirees.

HCR 170, by Representative Lewis: A CONCURRENT RESOLUTION directing the Task Force on Economic Development to study and make recommendations concerning the utilization of the Commonwealth's prison farm properties.

Reference of Bills and Resolutions

The Clerk reported that the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **HCR 159, HCR 163, HJR 162, HJR 164, HCR 167, HB 824, HB 826, HB 827, HB 833, HB 834, HB 846, HB 851, HB 864, HB 841**

Banking and Insurance: **HB 842, HB 838, HB 840, HB 859, HB 850**

Business Oragnizations and Professions: **SB 157, HB 831, HB 853**

Cities: **HB 830, HB 832, HB 852**

Counties and Special Districtes: **HB 863, HB 869, HB 870**

Economic Development: **HB 873**

Education: **SB 234, HB 845, HB 848, HB 849, HB 856, HB 871, HB 875**

Elections and Constitutional Amendments: **HB 857, HB 855**

Health and Welfare: **HB 854**

Judiciary: **SB 80, HB 825, HB 866, HB 874, HB 843, HB 837**

Labor and Industry: **HCR 166, HB 836, HB 835**

Natural Resources and Environmental Protection: **HB 839, HB 847, HB 867**

State Government: **SJR 37, HB 858, HB 861, HB 865, HB 862**

Tourism Development and Energy: **HB 828, HB 844, HB 868**

Transportation: **HB 829, HB 860, HB 872**

Posting of Bills and Resolutions for Consideration

The Clerk announced that the following Bill has been posted for Committee consideration:

Economic Development: **HB 821**

Report of Committees

The Committee on Elections and Constitutional Amendments reported **HB 49**, with Committee Substitute attached thereto, **HB 206**, **HB 318**, with Committee Substitute attached thereto, and **HB 496** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 49, AN ACT relating to campaign finance committee registration.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 121.170 is amended to read as follows:

(1) Any committee organized under any provisions of this chapter shall register with the registry, by filing official notice of intention at the time of organization, giving names and addresses and positions of the officers of the organization and designating the candidate or candidates or question it is organized to support or oppose on forms prescribed by the registry. The name of the committee shall reasonably identify to the public the sponsorship and purpose of the committee. The forms filed with the registry shall require the registrant to clearly identify the specific purpose, sponsorship, and source from which the committee originates; and the registry shall refuse to allow filing by any committee until this requirement has been satisfied.

(2) All provisions of KRS ***121.160*** [~~121.015~~ ~~and~~ ~~121.110~~ ~~to~~ ~~121.200~~] governing the duties and responsibilities of a candidate or campaign treasurer shall apply to ***any*** [~~a~~] registered committee ***except a federally registered out-of-state permanent committee.***

(3) The chairman of a committee and the campaign treasurer shall be separate persons.

(4) Any federally registered out-of-state permanent committee that contributes to a Kentucky candidate shall:

(a) File with the registry a copy of its federal registration (Federal Election Commission Form 1 - Committee Registration Form);

(b) File with the registry a copy of the Federal Election Commission finance report when a contribution is made to a Kentucky candidate; and

(c) Contribute not more than the maximum amount permitted for a permanent committee to make under Kentucky law to any candidate for any office in this Commonwealth.

The Committee Substitute to **HB 49** is as follows:

HB 49, AN ACT relating to campaign finance committee registration.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 121.170 is amended to read as follows:

(1) Any committee organized under any provisions of this chapter shall register with the registry, by filing official notice of intention at the time of organization, giving names and addresses and positions of the officers of the organization and designating the candidate or candidates or question it is organized to support or oppose on forms prescribed by the registry. The name of the committee shall reasonably identify to the public the sponsorship and purpose of the committee. The forms filed with the registry shall require the registrant to clearly identify the specific purpose, sponsorship, and source from which the committee originates; and the registry shall refuse to allow filing by any committee until this requirement has been satisfied.

(2) All provisions of KRS ***121.160*** [~~121.015~~ ~~and~~ ~~121.110~~ ~~to~~ ~~121.200~~] governing the duties and responsibilities of a candidate or campaign treasurer shall apply to ***any*** [~~a~~] registered committee ***except a federally registered out-of-state permanent committee.***

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(a) File with the registry a copy of its federal registration (Federal Election Commission Form 1 - Committee Registration Form);

(b) File with the registry a copy of the Federal Election Commission finance report when a contribution is made to a Kentucky candidate; and

(c) Contribute not more than the maximum amount permitted for a permanent committee to make under Kentucky law to any candidate for any office in this Commonwealth.

(5) Notwithstanding any provision of law to the contrary, a contribution made by a federally registered permanent committee to any candidate for any office in this Commonwealth that complies with the provisions of 2 U.S.C. 441b, 11 C.F.R. 104.10, 11 C.F.R. 106.6, and 11 C.F.R. 114.1-114.12 regarding limitations on contributions by corporations shall be deemed to comply with the campaign finance laws of this Commonwealth prohibiting corporate contributions to candidates.

HB 206, AN ACT relating to elections on local government issues.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 65.125 is amended to read as follows:

(1) For the purposes of this section, “local government” means a city or county government.

(2) In order that a local government may provide funding for a specified project, program, or service, any local government may enact a special ad valorem tax for the purpose subject to the following:

(a) Any such tax shall be enacted by ordinance as provided in KRS 83A.060 for cities and KRS 67.076 to 67.078 for counties. The ordinance shall identify and generally describe the program, project, or service designated by the local government and provide for the levy of an annual tax sufficient to defray the cost;

(b) Upon first reading of the ordinance which will enact a special ad valorem tax, the chief executive authority shall direct that a copy of the ordinance be delivered to the county clerk;

(c) Upon receipt of the ordinance, the county clerk shall have prepared the question, which shall be “Are you in favor of the proposal entitled ________________? Yes _____ No _____” The question shall be placed before the voters of the local government at the next regular election ***if the county clerk receives the ordinance not later than the first Tuesday in August preceding the regular election*** [~~that is held not earlier than ninety (90) days after receipt of the ordinance~~]. The county clerk shall cause to be published in accordance with KRS Chapter 424, at the same time as other voter information, the full text of the proposal. The county clerk shall cause to be posted in each polling place one (1) copy of the full text of the proposal;

(d) The provisions of the general election law shall apply to questions submitted to voters under this section. The certificate of the body authorized by law to canvass election returns shall be delivered to the chief executive authority of the local government proposing the special ad valorem tax. The certificate shall be entered upon the records of the local government at the next regular meeting of the legislative body;

(e) Upon passage of the question by a simple majority of those voting, the local government may proceed with the final adoption of the ordinance levying the special ad valorem tax at a rate not to exceed that approved by the voters.

(3) Any special ad valorem tax imposed under the authority of this section shall be based upon the assessed valuation of all taxable property within the jurisdictional boundaries of the local government.

(4) Any special ad valorem tax shall be collected in the same manner as are other ad valorem taxes. The revenues generated shall be in addition to other taxes and used solely for the specified project, program, or service as designated by the ordinance enacting the tax. The proceeds of the tax shall be accounted for in a separate fund and shall not be disbursed, expended, encumbered, or transferred for any use or purpose other than provided by the ordinance enacting the special ad valorem tax.

(5) Any special ad valorem tax shall be in addition to the tax rate levied and exclusive of the recall provisions in KRS 68.245, 91.260, 92.280, 132.017, and 132.027.

Section 2. KRS 65.170 is amended to read as follows:

(1) A district may be dissolved by a referendum as provided in this section.

(2) Persons seeking dissolution of a district shall submit a petition to the county clerk signed by at least fifty percent (50%) of that class of citizens who may by law petition for the creation of the district.

(3) The petition shall be in substantially the following form: "The undersigned (registered voters, qualified voters, freeholders, or landowners as determined by subsection (2) of this section) living within (name of the district and containing a metes and bounds description of the district) hereby request that the question of the dissolution of the district be put to a referendum." The petition shall conspicuously state in layman's terms that any legal obligations of the district must be satisfied before the district can be dissolved and that the citizens of the district shall be responsible for the satisfaction of any such obligations. Signatures on the petition shall be dated, the last no later than ninety (90) days after the first.

(4) If the county clerk determines that the petition is in proper order, he shall certify the petition to the fiscal court. The fiscal court shall direct that the question be placed before the voters at the next regular election ***if the county clerk has certified the petition not later than the first Tuesday in August preceding the regular election*** [~~held more than sixty (60) days from the certification of the petition~~]. The fiscal court shall bear the costs of advertising and placing the question before the voters.

(5) The county clerk shall advertise the question as provided in KRS Chapter 424 and shall prepare the following admonition to the voter: "The (name of district) may have existing legal obligations that must be satisfied before the district can be dissolved. The citizens of the district shall be responsible for the satisfaction of any such obligations." The question of the dissolution of the district shall be placed before the voters in substantially the following form: "The (name of the district and containing a metes and bounds description of the district) should be dissolved." The voter shall vote "yes" or "no."

(6) Registered voters eligible to sign a petition for dissolution as provided by subsection (2) of this section shall be eligible to vote on the question of dissolution.

(7) In referendums under this section, provision shall be made for those opposing the dissolution of the district to have equal representation with the proponents of the measure in the determination of eligibility of voters, and in the observance of canvassing and certifying of the returns.

Section 3. KRS 65.192 is amended to read as follows:

In counties containing a city of the first class, the following method of creating a taxing district shall be an alternative to KRS 65.182 to 65.190:

(1) Persons desiring to form a taxing district shall present a petition to the fiscal court clerk and to each member of the fiscal court, requesting that the question of establishing the special district be placed upon the ballot for the next general election. The petition shall be signed by at least one hundred (100) registered voters from each senatorial district, contained wholly or partially within the proposed taxing district. If one hundred (100) registered voters do not reside within a senatorial district and within the boundaries of the proposed taxing district, then the petition shall be signed by twenty-five percent (25%) of the registered voters within said senatorial district. At the time of its submission to fiscal court each petition shall be accompanied by a plan of service, showing such of the following as may be germane to the purposes for which the taxing district is being formed:

(a) The statutory authority under which the district is created and under which the taxing district will operate;

(b) The method of creating and appointing the governing body of such district if it is to be different from the general statutory authority under which it will operate;

(c) Demographic characteristics of the area including but not limited to population, density, projected growth, and assessed valuation;

(d) A description of the service area including, but not limited to, the population to be served, a metes and bounds description of the area of the proposed taxing district, the anticipated date of beginning service, the nature and extent of the proposed service, the projected effect of providing service on the social and economic growth of the area, and projected growth in service demand or need;

(e) A three (3) year projection of cost versus revenue and the method chosen for raising such revenues as authorized in this section;

(f) Justification for formation of the taxing district including but not limited to the location of nearby governmental and nongovernmental providers of like services; and

(g) Any additional information such as land use plans, existing land uses, drainage patterns, health problems, and other similar analyses which bear on the necessity and means of providing the proposed service.

(2) The fiscal court clerk shall notify all planning commissions, cities, and area development districts within whose jurisdiction the proposed service area is located and any state agencies required by law to be notified of the proposal for the creation of the taxing district.

(3) The fiscal court clerk shall review the petition, and if the fiscal court determines that the signatures are valid, the fiscal court shall schedule a hearing on the proposal for no earlier than thirty (30) nor later than sixty (60) days following receipt of the petition, charter, and plan of service, and shall, in accordance with the provisions of KRS Chapter 424, publish notice which includes the time and place of the public hearing, alerts the public that the issue discussed at the hearing will be placed upon the ballot and includes an accurate map of the area or a description in layman's terms reasonably identifying the area.

(4) At the public hearing, the fiscal court shall take testimony of interested parties and solicit the recommendations of any planning commission, city, area development district, or state agency meeting the criteria of subsection (2) of this section.

(5) Following the public hearing, the fiscal court shall adopt a resolution submitting to the qualified voters of the county the question as to whether a taxing district should be established for the area and a special ad valorem tax or an occupational license fee imposed for the maintenance and operation of the district. A certified copy of the order of the fiscal court shall be filed with the county clerk ***not later than the first Tuesday in August preceding the*** [~~at least sixty (60) days prior to the next~~] regular election and thereupon the clerk shall cause the question to be placed upon the ballot.

(6) The question shall be stated so that the service to be provided by the district, the type of governing body and the method of financing as allowed by this section are clearly outlined.

(7) If a majority of those voting on the question favor the establishment of a special district with authorization to impose an ad valorem tax then it shall be so established and shall constitute and be a taxing district within the meaning of section 157 of the Constitution of Kentucky. If a majority of those voting on the question favor the establishment of a special district with an increase in the occupational license fee as authorized by this section, it shall be so established and shall operate as set forth in the question on the ballot.

(8) If an ad valorem tax is approved, the county clerk shall add the levy to the tax bills of the county. For taxing purposes the effective date of the tax levy shall be January 1 of the year following the election. If an occupational license fee increase is approved, the appropriate legislative bodies shall add the levy to the occupational license fee as of January 1 of the year following the election. The tax or fee shall be collected in the same manner as are other county ad valorem taxes or occupational license fees and shall be turned over to the governing body of the district. The special ad valorem tax or fee shall be in addition to all other ad valorem taxes or occupational license fees.

(9) Nothing in this section shall be construed to enlarge upon or to restrict the powers granted a taxing district under the taxing district's specific authorizing statutes.

(10) A special district created pursuant to this section may be financed either by a special ad valorem tax imposed by the governing body of the district, as authorized by the voters in an election on the question, of an amount not to exceed ten cents ($0.10) per one hundred dollars ($100) of assessed value of the property subject to local taxation of the district; or by a levy of occupational license fees by the public body or bodies with jurisdiction over the area served by the special district, if the levy has been approved by the voters in an election on the question. The special district shall not levy both an ad valorem tax and an occupational license fee. The occupational license fee shall not exceed one percent (1%) of:

(a) Salaries, wages, commissions and other compensation earned by persons for work done and services performed or rendered; and

(b) The net profits of businesses, trades, professions or occupations from activities conducted in the district, except public service companies, banks, trust companies, combined banks and trust companies, combined trust, banking and title companies, any savings and loan association whether state or federally chartered, and in all other cases where a public body is prohibited by law from imposing a license fee.

(11) The budget of any taxing district created pursuant to this section shall be approved by the fiscal court if financed by an ad valorem tax, or by the fiscal court and the legislative body levying the fee, if funded by an occupational license fee increase. The board of the district shall submit its estimate of revenue and proposed budget to the appropriate approving body or bodies by May 1 of each year, and such body or bodies shall approve or amend the budget by June 1.

Section 4. KRS 67.830 is amended to read as follows:

(1) The fiscal court in any county, except in a county containing a city of the first class or an urban-county government, and a majority of all cities within the county may adopt an ordinance to study the question of merging the county government with all other units of local government within the county to form a charter county form of government.

(2) In lieu of the adoption of an ordinance pursuant to subsection (1) of this section, a petition may be filed with the county clerk requesting a referendum be held on the question of merger and the adoption of a charter county form of government. The petition shall be signed by at least twenty percent (20%) of the number of county residents voting in the preceding regular election.

(3) Within sixty (60) days of the adoption of an ordinance pursuant to subsection (1) of this section, or within sixty (60) days of a petition being filed with the county clerk pursuant to subsection (2) of this section, the fiscal court and the city legislative body of each city within the county shall jointly appoint a commission to study the question of merger and the adoption of a charter county form of government. The fiscal court shall determine the size of the membership of the commission which shall be composed of, but not limited to, twenty (20) citizens. The actual appointment of individual members to the commission shall be governed by the following provisions:

(a) The county shall make a number of appointments based upon the ratio of the percentage of the population residing in unincorporated areas of the county to the countywide population.

(b) Each city located within the county shall join together with other cities of the same classification located within the county for the purpose of making appointments to the commission. Jointly the cities shall make a number of appointments based upon the ratio of the percentage of the total population residing within that particular class of city within the county to the countywide population. Each class of city within the county shall have a minimum of one (1) representative on the commission.

(c) If there is only one (1) city of a particular classification within a county, the city shall make a number of appointments based upon the ratio of the percentage of the population residing within that city to the countywide population.

(4) The commission shall be funded by the fiscal court and each city within the county in proportion to its relative population and shall be responsible for developing a comprehensive plan of charter county government that shall include, but not be limited to, the following provisions:

(a) A description of the form, structure, functions, powers, and name of the proposed charter county government;

(b) A description of the officers and their powers and duties of the proposed charter county government; and

(c) The procedures by which the original comprehensive plan may be amended.

(5) The comprehensive plan shall be consistent with the provisions of the Constitution of Kentucky and shall be advertised ***not later than the first Tuesday in August preceding the*** [~~at least ninety (90) days before a~~] regular election at which the voters will be asked to approve or disapprove the adoption of the comprehensive plan.

(6) The votes shall be counted, returns made and canvassed in accordance with the provisions of KRS Chapters 116 to 121 governing elections, and the results shall be certified by the county board of election commissioners to the county clerk. If a majority of those voting on the issue are in favor of adopting the comprehensive plan, the county board of election commissioners shall enter the fact of record and the charter county commission shall organize the charter county government.

Section 5. KRS 67A.020 is amended to read as follows:

Upon a petition filed with the county clerk and signed by a number of registered voters equal to five percent (5%) of voters of the county voting in the immediate past general election, and, upon additional petitions equal to the number of municipal corporations within the county, filed with the county clerk and signed by a number of registered voters equal to 5 percent of the number of voters of each municipal corporation, voting in the immediate past general election, requesting a referendum be held on the question of adopting the urban county form of government, the fiscal court and the council of the largest city within the county shall appoint a representative commission composed of not less than twenty (20) citizens which shall devise a comprehensive plan of urban-county government. The plan shall include a description of the form, structure, functions, powers and officers and their duties of the proposed urban-county government; the procedures by which the original plan may be amended; and such other provisions as the commission shall determine; and shall be consistent with the provisions of the Constitution of Kentucky. This plan shall be advertised ***not later than the first Tuesday in August preceding the regular*** [~~at least ninety (90) days before a general~~] election at which the voters will be asked to approve or disapprove the adoption of the plan. The votes shall be counted, returns made and canvassed as in other elections, and the results shall be certified by the county board of election commissioners to the county clerk. If it appears that a majority of those voting are in favor of adopting the plan, the commissioners shall enter such fact of record and shall organize the urban-county government.

Section 6. KRS 81.094 is amended to read as follows:

(1) If any city fails for one (1) year to maintain a city government by both the election or appointment of officers and the levying and collection of necessary taxes, it shall be dissolved by judgment of the Circuit Court on petition filed by a bona fide resident of the city.

(2) A city, except for a city which has long-term debt, or any debt in excess of the assets of the city, shall be dissolved by the following procedure:

(a) Any qualified voter of the city may file with the mayor of the city a petition seeking a referendum on the question whether the city shall be dissolved. All papers of the petition shall be uniform in size and style and shall be assembled as one (1) instrument for filing. Each signature shall be executed in ink or indelible pencil and shall be followed by the address of the person signing. When it is filed, each sheet of a petition shall have an affidavit executed by the circulator stating that he personally circulated the sheet; the number of signatures thereon; that all signatures were affixed in his presence; that he believes them to be the genuine signatures of registered voters in the city; and that each signer had an opportunity before signing to read the full text of the petition. Petitions shall contain or have attached throughout their circulation the full text of the following proposal: "We the undersigned registered voters of the City of __________ hereby petition the mayor for an election on the question whether the city should be dissolved.";

(b) If such a petition signed by registered voters of the city equal in number to at least twenty percent (20%) of the total number of votes cast in the city in the last presidential election is presented to the mayor, the mayor of the city shall deliver a certified copy of the petition to the county clerk of the county in which the greater part of the city is located within ten (10) working days after it is received by the mayor. The county clerk shall have printed on the ballot provided for use in each precinct embraced in whole or in part within the city the question: "Are you in favor of dissolving the City of __________?" The election shall be held at the next primary ***election if the mayor presents the petition to the county clerk not later than the last Tuesday in January preceding the primary election or at the next regular election if the mayor presents the petition to the county clerk not later than the first Tuesday in August preceding the regular election*** [~~or general election that occurs not less than sixty (60) days after the petition is presented by the mayor to the county clerk, within ten (10) working days after it is received by the mayor~~]; and

(c) If a majority of those voting in the election favor the dissolution of the city, the city shall cease to be an incorporated city within thirty (30) days of the certification of the election results. The terms of all elected and appointed officers shall terminate at such time and all assets of the city shall become the property of the fiscal court of the county in which the city is located. The county clerk shall note the dissolution in his records and notify the Secretary of State in writing of the dissolution.

(3) Each petition for dissolution filed with the Circuit Court pursuant to subsection (1) of this section shall be filed in the Circuit Court of the county in which the greater part of the city is located and shall set out the name and class of the city, a metes and bounds description of its boundaries, the reasons why dissolution is sought and other facts relevant to the petition.

Section 7. KRS 81.300 is amended to read as follows:

In any county containing a city of the first class, the mayor of the city of the first class with the approval of the board of aldermen, may submit to the fiscal court a plan for the improvement of local government in the county as set out herein below. The fiscal court shall, if they approve, deliver a certified copy of the plan to the county clerk, who shall ***submit the question set out in KRS 81.350*** [~~cause to be submitted~~] to the qualified voters of the affected areas at the next ***regular*** [~~general~~] election ***if the mayor submits the plan to the fiscal court not later than the first Tuesday in August preceding the regular election*** [~~which does not occur within less than ninety (90) days of the submission by the mayor of the plan to the fiscal court, the question set out in KRS 81.350~~]. In any event the fiscal court shall express its approval or disapproval of the plan within thirty (30) days of the submission of the plan by the mayor to them.

Section 8. KRS 81.420 is amended to read as follows:

(1) ***The election on the merger of contiguous cities shall be held at the next primary election if the last of the ordinances regarding the merger is enacted and delivered to the county clerk not later than the last Tuesday in January preceding the primary election. The election on the merger of contiguous cities shall be held at the next regular election if the last of the ordinances regarding the merger is enacted and delivered to the county clerk not later than the first Tuesday in August preceding the regular election*** [~~Elections shall be held not less than thirty (30) days nor more than sixty (60) days after the last of the ordinances is enacted~~]. The qualifications of voters and all other matters in regard to the election shall be governed by the general election laws. The question shall be submitted in substantially the following form:

"Are you in favor of merging or consolidating the city of ______________ and the city of ______________ into one city, to be known as the city of ______________"?

yes __________
no __________

(2) If a majority of the legal votes cast at the election in all of the cities, each city being a separate unit in the elections, proposing to merge or consolidate shall favor the merger or consolidation, then thirty (30) days after the certification of the results of the election the cities shall become one (1) city of the class and organizational structure of the largest of the old cities, but if a majority of the legal voters in either city vote "No," the merger or consolidation shall fail.

Section 9. KRS 81A.420 is amended to read as follows:

(1) When a city desires to annex unincorporated territory, the legislative body of the city proposing to annex shall enact an ordinance stating the intention of the city to annex. The ordinance shall accurately define the boundary of the unincorporated territory proposed to be annexed, and declare it desirable to annex the unincorporated territory.

(2) If following the publication of the annexation ordinance pursuant to subsection (1) of this section and within sixty (60) days thereof, [~~or if in any annexation proceeding where the annexing city has not adopted a final annexation ordinance, within sixty (60) days of February 12, 1988,~~] fifty percent (50%) of the resident voters or owners of real property within the limits of the territory proposed to be annexed petition the mayor in opposition to the proposal, an election shall be held at the next regular election ***if*** [~~occurring at least sixty (60) days after~~] the petition is presented to the county clerk ***not later than the first Tuesday in August preceding the regular election***:

(a) The mayor of the city shall deliver a certified copy of the ordinance to the county clerk of the county in which the territory proposed to be annexed is located, who shall have prepared to be placed before the voters in each precinct embraced in whole or in part within the territory proposed to be annexed the question: "Are you in favor of being annexed to the City of ______________?" If only a part of any precinct is embraced within the territory proposed to be annexed only persons who reside within the territory proposed to be annexed shall be permitted to vote. The clerk shall cause the sheriff or sheriffs to deliver to the election officers in each precinct in the appropriate counties copies of the ordinance proposing to annex;

(b) If less than fifty-five percent (55%) of those persons voting oppose annexation, the unincorporated territory shall become a part of the city; and

(c) If fifty-five percent (55%) or more of those persons voting oppose annexation, the ordinance proposing annexation shall become ineffectual for any purpose.

(3) In not less than sixty (60) days after the enactment of the ordinance, if no petition has been received by the mayor as set out herein, or within sixty (60) days of the certification of election results in which less than fifty-five percent (55%) of those persons voting opposed annexation, the legislative body may enact an ordinance annexing to the city the territory described in the ordinance. If the city has elected to establish the zoning for the new territory prior to the completion of the annexation pursuant to KRS 100.209, the

ordinance shall include a map showing the zoning. Upon the enactment of this ordinance, the territory shall become part of the city for all purposes.

Section 10. KRS 83A.120 is amended to read as follows:

(1) Any public question authorized by statute may be submitted to the voters of a city by either a resolution of the city legislative body or a petition meeting the requirements of this section. The resolution or petition shall set out in full the matter to be considered. The proposal shall be drafted in such a way that a vote in favor of adoption shall be a vote in favor of the effect or impact of the proposal.

(2) Any five (5) qualified voters of the city may commence petition proceedings by filing with the county clerk an affidavit stating they constitute the petition committee and will be responsible for circulating the petition and filing it in proper form. The affidavit shall state their names and addresses and specify the address to which all notices to the committee are to be sent. It shall set out in full the proposal to be considered by the voters. Promptly after the affidavit of the petition committee is filed, the county clerk shall notify the petition committee of all statutory requirements for petitions under this section and shall deliver a copy of the affidavit to the legislative body of the city.

(3) All papers of a petition shall be uniform in size and style and shall be assembled as one instrument for filing. Each signature shall be executed in ink or indelible pencil and shall be followed by the address of the person signing. Petitions shall be signed by registered voters of the city equal in number to at least twenty percent (20%) of the total number of votes cast in the city in the last presidential election. When it is filed, each sheet of a petition shall have an affidavit executed by the circulator stating that he personally circulated the sheet, the number of signatures thereon, that all signatures were affixed in his presence, that he believes them to be the genuine signatures of registered voters in the city and that each signer had an opportunity before signing to read the full text of the proposal. Petitions shall contain or have attached throughout their circulation the full text of the proposal.

(4) Within thirty (30) days after the petition is filed, the county clerk shall complete a certificate as to its sufficiency, specifying, if it is insufficient, the particulars wherein it is defective and shall send a copy to the petition committee and to the city legislative body by registered mail. A petition certified insufficient for lack of the required number of valid signatures may be amended once if the petition committee files a notice of intention to amend it with the county clerk within five (5) days after receiving the copy of his certificate and files a supplemental petition upon additional sheets within thirty (30) days after receiving the certificate. The supplemental petition shall comply with the requirements of subsection (3) and within ten (10) days after it is filed the county clerk shall complete a certificate as to the sufficiency of the petition as amended and promptly send a copy of the certificate to the petition committee and to the city legislative body by certified mail.

(5) A final determination as to the sufficiency of a petition shall be subject to review in the Circuit Court of the county and shall be limited to the validity of the county clerk's determination. A final determination of insufficiency shall not prejudice the filing in accordance with this section of a new petition for the same purpose.

(6) ***If a question is permitted to be voted on at a primary election, the county clerk shall include the question on the primary election ballot if he receives, not later than the last Tuesday in January, a resolution of the city legislative body or certifies as sufficient a petition requesting that the question be submitted to the voters. If a question is permitted to be voted on at a regular election, the county clerk shall include the question on the regular election ballot if he receives the resolution or certifies the petition as sufficient not later than the first Tuesday in August. The form of*** [~~Upon receipt of a resolution requesting that the question be submitted to the voters or upon certification of a petition as sufficient, the county clerk shall have prepared to place before the voters of the city at the next regular election that is held not earlier than ninety (90) days after receipt of the resolution or the certification of the petition~~] the question[~~, which~~] shall be "Are you in favor of the proposal entitled ________________? Yes ____ No ____." The county clerk shall cause to be published in accordance with KRS Chapter 424, at the same time as the remaining voter information, the full text of the proposal. The county clerk shall cause to be posted in each polling place one (1) copy of the full text of the proposal.

(7) The provisions of general election law shall apply to public questions submitted to voters under this section. The certificate of the body authorized by law to canvass election returns shall be delivered to the mayor and the certificate shall be entered upon the records of the city at the next regular meeting of the city legislative body.

HB 318, AN ACT relating to write-in voting.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 117.265 is amended to read as follows:

(1) A voter may, at any general or special election, cast a write-in vote for any eligible person whose name does not appear upon the ballot label as a candidate, by writing the name of his choice upon the appropriate device for the office being voted on provided on the voting machine as required by KRS 117.125. Any candidate for city office who is defeated in a partisan or nonpartisan primary election shall be ineligible as a candidate for the same office in the regular election. Any voter utilizing an absentee ballot may write in a vote for any eligible person whose name does not appear upon the ballot, by writing the name of his choice under the office.

(2) Two (2) election officers of opposing parties shall upon the request of any voter instruct the voter on how to cast a write-in vote.

[~~(3) This provision shall not apply to elections for President and Vice President of the United States where the vote is cast for presidential electors rather than the candidate.~~]

The Committee Substitute to **HB 318** is as follows:

HB 318, AN ACT relating to write-in votes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 117.265 is amended to read as follows:

(1) A voter may, at any general or special election, cast a write-in vote for any [~~eligible~~] person ***qualified as provided in subsection (2) or (3) of this section,*** whose name does not appear upon the ballot label as a candidate, by writing the name of his choice upon the appropriate device for the office being voted on provided on the voting machine as required by KRS 117.125. Any candidate for city office who is defeated in a partisan or nonpartisan primary election shall be ineligible as a candidate for the same office in the regular election. Any voter utilizing an absentee ballot may write in a vote for any eligible person whose name does not appear upon the ballot, by writing the name of his choice under the office.

(2) ***Write-in votes shall be counted only for candidates for election to office who have filed a declaration of intent to be a write-in candidate with the Secretary of State or county clerk, depending on the office being sought, not less than ten (10) days preceding the date of the general or special election. The declaration of intent shall be on a form prescribed by the Secretary of State.***

(3) Persons who wish to run for President and Vice-President shall file a declaration of intent to be a write-in candidate, along with a list of presidential electors pledged to those candidates, with the Secretary of State not less than ten (10) days preceding the date of the general election for those offices. Write-in votes cast for the candidates whose names appear on the ballot shall apply to the slate of pledged presidential electors, whose names shall not appear on the ballot.

(4) The county clerk shall provide to the precinct election officers certified lists of those persons who have filed declarations of intent as provided in subsections (2) and (3) of this section. Only write-in votes cast for qualified candidates shall be counted.

(5) Two (2) election officers of opposing parties shall upon the request of any voter instruct the voter on how to cast a write-in vote.

(6) The provisions of this section requiring the filing of a declaration of intent shall not apply to elections for municipal office in cities of the fifth or sixth class, and all write-in votes shall be counted, regardless of whether a declaration was filed.

[~~(3) This provision shall not apply to elections for President and Vice President of the United States where the vote is cast for presidential electors rather than the candidate.~~]

HB 496, AN ACT relating to absentee ballots.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 117.077 is amended to read as follows:

In case of a medical emergency within seven (7) days or less of an election, a registered voter may apply for an absentee ballot. The application shall state that the emergency condition occurred within the seven (7) day period and shall be notarized. The application form shall be restricted to the use of the voter or the spouse, parents, ***grandparents, grandchildren,*** or children of the voter. If the voter has no spouse, parents, ***grandparents, grandchildren,*** or children, the application form shall be restricted to the use of the voter or the brother, sister, niece, or nephew of the voter. Upon receipt of the application and verification, the county clerk shall issue an absentee ballot.

Section 2. KRS 117.085 is amended to read as follows:

(1) All requests for an application for an absentee ballot and all applications for an absentee ballot shall be transmitted only by mail or in person as specifically provided by this section. Except for qualified voters who apply pursuant to the requirements of KRS 117.075 and 117.077, and those who are incarcerated in jail but have yet to be convicted, no absentee ballots shall be mailed to an address within the county except to those voters who regularly work outside the county during all hours the office of the county clerk is open. In the case of ballots returned by mail, the county clerk shall provide an absentee ballot, two (2) official envelopes for returning the ballot, and instructions for voting to a voter who presents a completed application for an absentee ballot as provided in this section and who is properly registered as stated in his application. Application for an absentee ballot shall be made as follows:

(a) Any qualified voter in any county who shall be absent from the county on any election day or any person incarcerated in jail who has been charged for a crime but has yet to be convicted of the crime may, at any time not less than the close of normal business hours seven (7) days before the election, make application in person or by mail to the county clerk for an absentee ballot. All requests for an application for an absentee ballot and all applications for an absentee ballot shall be made in person or by mail, at the option of the voter, except that the county clerk shall hand an application for an absentee ballot to the voter who appears in person to request the application, or shall mail the application to a voter who requests the application by mail. The application shall be restricted to use of the voter or the spouse, parents, ***grandparents, grandchildren,*** or children of the voter;

(b) Residents of Kentucky who are members of the armed forces, or dependents of members of the armed forces and overseas citizens, may apply for an absentee ballot by means of the federal post-card application. The application may be used to register, reregister, and to apply for an absentee ballot. If the federal post-card application is received at any time not less than seven (7) days before the election, the county clerk shall affix his seal to the application form upon receipt; and

(c) Any member of the county board of elections, any precinct election officer appointed to serve in a precinct other than that in which he is registered, and any alternate precinct election officer may vote by absentee ballot. The application form for those persons shall be prescribed by the State Board of Elections and, in the case of application by precinct election officers, shall contain a verification of appointment signed by a member of the county board of elections. The applications shall be restricted to the use of the voter only.

(2) The clerk shall type the name of the voter on the application form for that person's use and no other. The application form shall be in the form prescribed by the State Board of Elections, shall bear the seal of the county clerk and shall contain the following information: name, residential address, precinct, party affiliation, statement of absence on election day, statement of where the voter shall be on election day, statement of compliance with residency requirements for voting in said precinct, and the voter's mailing address for an absentee ballot. The form shall be verified and signed by the voter. A notice of the actual penalty provisions in KRS 117.995(2) and (5) shall be printed on the application.

(3) If the county clerk finds that the voter is properly registered as stated in his application and qualifies to receive an absentee ballot, he shall mail to the voter an absentee ballot, two (2) official envelopes for returning the ballot, and instructions for voting. The county clerk shall complete a postal form for a certificate of mailing for ballots mailed within the fifty (50) states, and it shall be stamped by the postal service when the ballots are mailed.

(4) Absentee ballots which are requested prior to the printing of the ballots shall be mailed by the county clerk to the voter within three (3) days of the receipt of the printed ballots; and absentee ballots which are requested subsequent to the receipt of such ballots by the county clerk shall be mailed to the voter within three (3) days of the receipt of the request.

(5) The clerk shall cause ballots to be printed fifty (50) days prior to each primary or general election.

(6) The outer envelope shall bear the words "Absentee Ballot" and the address and official title of the county clerk and shall provide space for the voter's signature, voting address, and precinct number. A detachable flap on the inner envelope shall provide space for the voter's signature, voting address, precinct number, and notice of penalty provided in KRS 117.995(5). The clerk shall type the voter's address and precinct number in the upper left hand corner of the outer envelope and of the detachable flap on the inner envelope immediately below the blank space for the voter's signature. The inner envelope shall be blank. The clerk shall retain the application and the postal form required by subsection (3) of this section for twenty-two (22) months after the election.

(7) Any person who has received an absentee ballot but who knows at least seven (7) days before the date of the election that he shall be in the county on election day and who has not voted pursuant to the provisions of KRS 117.086 shall cancel his absentee ballot and vote in person. He shall return his absentee ballot to the county clerk's office no later than seven (7) days prior to the date of the election. Upon the return of the absentee ballot, the clerk shall mark on the outer envelope of the sealed ballot or the unmarked ballot the words "Canceled because voter appeared to vote in person." Sealed envelopes so marked shall not be opened. The clerk shall remove the voter's name from the list of persons who were sent absentee ballots, and the voter may vote in the precinct in which he is properly registered.

The Committee on Natural Resources and Environmental Protection reported **HB 540**, with Committee Substitute attached thereto, and **HB 647**, with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 540, AN ACT relating to the environment.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF SUBCHAPTER 46 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section unless the context requires otherwise:

(a) "Act of God" means an unanticipated grave natural disaster or other natural phenomenon of an exceptional, inevitable, and irresistible character, the effects of which could not have been prevented or avoided by the exercise of due care or foresight;

(b) "Cabinet" means the Natural Resources and Environmental Protection Cabinet;

(c) "Environment" means the waters of the Commonwealth, land surface, surface and subsurface soils and strata, or ambient air within the Commonwealth or under the jurisdiction of the Commonwealth;

(d) "Facility" means:

1. Any building, structure, installation, equipment, pipe, or pipeline (including any pipe into a sewer or publicly owned treatment works), well, pit, pond, lagoon, impoundment, ditch, landfill, storage container, motor vehicle, rolling stock, or aircraft; or

2. Any site or area where a hazardous substance has been deposited, stored, disposed of, placed, or otherwise come to be located, but does not include any consumer product in consumer use or any vessel;

(e) "Federally permitted release" shall have the meaning given in 42 U.S.C. sec. 9601(10);

(f) "Hazardous substance" shall have the meaning given in 42 U.S.C. sec. 9601(14) and shall include substances regulated under KRS 224.50-130;

(g) "Person" means an individual, trust, firm, joint stock company, corporation, partnership, association, municipal corporation, political subdivision, interstate body, the state and any agency or commission of the state, and the federal government, and any agency of the federal government;

(h) "Potentially responsible party" means those persons identified in subsection (14) of this section as being potentially liable for the costs of removal or remedial action;

(i) "Owner or operator" shall have the meaning given in 42 U.S.C. sec. 9601(20);

(j) "Release" shall have the meaning given in 42 U.S.C. sec. 9601(22);

(k) "Remove" or "removal" shall have the meaning given in 42 U.S.C. sec. 9601(23); and

(l) "Remedy" or "remedial action" shall have the meaning given in 42 U.S.C. sec. 9601(24).

(2) (a) The cabinet shall promulgate and revise as may be appropriate:

1. Administrative regulations designating as hazardous substances the elements, compounds, mixtures, solutions, and substances which are subject to this section; and

2. Administrative regulations stating what quantity of a hazardous substance must be released before it is reportable.

(b) The substances and reportable quantities designated in administrative regulations promulgated by the cabinet pursuant to paragraph (a) of this subsection shall be identical to those substances and reportable quantities designated by the United States Environmental Protection Agency pursuant to 42 U.S.C. sec. 9602(a).

(c) This section shall have no effect until the cabinet promulgates administrative regulations as required by subsection (2)(a) of this section.

(3) Any person in charge of a facility shall, as soon as he has knowledge of any release, which is not authorized by a permit issued by the cabinet or the United States Environmental Protection Agency and is not a federally permitted release authorized by the Comprehensive Environmental Response Compensation and Liability Act, to the environment of a hazardous substance from the facility in quantities equal to or greater than those determined pursuant to subsection (2) of this section, immediately notify the cabinet of the release. Notification received pursuant to this subsection or information obtained by the exploitation of the notification shall not be used against any person giving the notice in any criminal case, except a prosecution for perjury or for giving a false statement.

(4) The cabinet shall be the lead agency for hazardous substance emergency spill response and, after consultation with other affected federal, state, and local agencies and private organizations, shall establish a contingency plan, which is consistent with the national contingency plan for undertaking emergency actions in response to the release of a hazardous substance.

(5) (a) Whenever any hazardous substance is released into the environment which may present an imminent and substantial danger to the public health or welfare, the cabinet may act, consistent with the contingency plan in subsection (4) of this section, to remove, or arrange for the removal of, the hazardous substance.

(b) The cabinet may further provide for investigations or remedial action relating to a release of hazardous substances in accordance with subsections (7) to (13) of this section, as necessary to protect human health and the environment.

(c) When the cabinet determines that any investigation or remedial action will be done properly and promptly by the owner or operator of the facility, or by any other responsible party as set out in this section, the cabinet may allow the person to carry out the action.

(d) The cabinet shall not provide for a removal or remedial action under this section in response to a release:

1. Of a naturally occurring substance in its unaltered form, or altered solely through naturally occurring processes or phenomena, from a location where it is naturally found;

2. From products which are part of the structure of, and result in exposure within, residential buildings or business or community structures; or

3. Into public or private drinking water supplies due to deterioration of the system through ordinary use.

(6) For the purposes of Sections 1 and 4 of this Act, action levels are defined as follows:

(a) Action levels for hazardous substances in groundwater or in an aquifer, which the cabinet has reason to believe may have been released from a facility, shall be specified as:

1. Maximum contaminant levels promulgated under the Federal Safe Drinking Water Act, as amended; or

2. For hazardous substances for which maximum contaminant levels have not been promulgated, a concentration which satisfies the following criteria, assuming exposure through consumption of the water contaminated with the hazardous substances:

a. Is derived in a manner consistent with federal Environmental Protection Agency guidelines for assessing the health risks of environmental pollutants, scientifically valid studies conducted in accordance with the Federal Toxic Substances Control Act, as amended, good laboratory practice standards, or the equivalent thereof;

b. For carcinogens, represents a concentration associated with an excess upper bound lifetime cancer risk of one (1) times ten (10) to the negative sixth power due to continuous constant lifetime exposure, and considers the overall weight of evidence for carcinogenicity; and

c. For systemic toxicants, represents a concentration to which the human population could be exposed on a daily basis that is likely to be without appreciable risk of deleterious effects during a lifetime.

(b) Action levels for hazardous substances in air which the cabinet has reason to believe may have been released from a facility shall be defined as concentrations which meet the criteria specified in subsection (6)(a)2.a. to d. of this section, assuming exposure through inhalation of the air contaminated with the hazardous substance, as measured or estimated at the facility boundary, or another location closer to the facility if necessary to protect human health and the environment.

(c) Action levels for hazardous substances in surface water, which the cabinet has reason to believe may have been released from a facility shall be specified as:

1. Maximum contaminant levels for hazardous substances in surface waters, as promulgated under the Federal Safe Drinking Water Act, as amended, designated for drinking water supply, where numeric values or numeric interpretation are not available;

2. For hazardous substances in surface waters designated for drinking water for which numeric values, numeric interpretations, or maximum contaminant levels are not available, a concentration which meets the criteria specified in subsection (6)(a)2.a. to d. of this section, assuming exposure through consumption of the water contaminated with the hazardous substance; or

3. For hazardous substances in surface waters designated for use or uses other than drinking water supply, a concentration established by the cabinet which meets the criteria specified in subsection (6)(a)2.a. to d. of this section, considering the use or uses of the receiving waters.

(d) Action levels for hazardous substances in soils that the cabinet has reason to believe may have been released from a facility shall be defined as concentrations which meet the criteria specified in subsection (6)(a)2.a. to d. of this section, assuming exposure through consumption of the soil contaminated with the hazardous substance.

(e) If, for a hazardous substance detected in groundwater in an aquifer, air, surface water, or soils, a concentration meeting the criteria of subsection (6)(a) to (d) of this section, is not available or cannot be developed for use as an action level, the cabinet may establish an action level for the hazardous substance as:

1. A level that is an indicator for protection of human health and the environment, using the exposure assumptions for the particular medium specified in this subsection; or

2. The background concentration of the hazardous substance.

(7) (a) If at any time the cabinet determines that concentrations of hazardous substances in groundwater in an aquifer, surface water, soils, or air exceed an action level, as defined in subsection (6) of this section, and facts exist indicating that the hazardous substances have been released from a facility, the cabinet may require the potentially responsible party to perform a corrective measure study.

(b) If the cabinet determines that a hazardous substance introduced into the environment is present in a concentration below an action level poses a threat to human health or the environment, given site specific exposure conditions, the determination being supported by evidence presented to the potentially responsible party and facts exist indicating that the hazardous substance has been released from a facility, the cabinet may require a corrective measure study.

(c) If an action level has been exceeded, but the cabinet determines, based upon evidence gathered by the cabinet or provided by the potentially responsible party, that the release may nevertheless not pose a threat to human health and the environment, the cabinet may allow the potentially responsible party to apply for a determination of no further action, pursuant to subsection (9) of this section.

(d) The cabinet shall notify the potentially responsible party in writing of the requirement to conduct a corrective measure study and shall specifically identify the hazardous substances which exceed specified action levels.

(e) If the cabinet orders a corrective measure study pursuant to this subsection, the cabinet may require the potentially responsible party to develop and submit a plan for conducting the corrective measure study.

1. The plan shall be subject to review and approval by the cabinet.

2. The cabinet shall fully consider all parts of the submitted plan before taking action on it.

3. If the cabinet does not accept a portion of the submitted plan, the cabinet shall issue a statement of consideration explaining the reasons for not accepting the plan.

4. The potentially responsible party may modify any plan not accepted by the cabinet and resubmit the modified plan for cabinet approval.

5. The corrective measure study plans shall include, but not be limited to:

a. A description of the general approach to investigating and evaluating potential remedies;

b. A definition of the overall objectives of the study;

c. A description of specific remedies which will be studied;

d. A plan for evaluating the remedies to ensure compliance with the standards for remedies;

e. A schedule for conducting the study; and

f. A proposed format for information presentation.

(f) Upon approval by the cabinet of the corrective measure study plan, as modified, the potentially responsible party shall conduct the studies and investigations in accordance with the plan.

(g) The cabinet may require periodic reports during the implementation of the corrective measure study, and may, based upon information from these reports or other information, require the potentially responsible party to modify the corrective measure study.

(h) Upon completion of the corrective measure study, the potentially responsible party shall submit a report summarizing the results of the study, including a detailed description of the remedy selected and how the proposed remedy meets the standards for remedies as specified in subsection (8)(c) of this section, or requesting a determination of no further action pursuant to subsection (9) of this section.

(8) (a) Based on the results of the corrective measure study, and any further evaluations, the cabinet shall:

1. Determine whether the selected remedy meets, at a minimum, the standards listed in paragraph (c) of this subsection; or

2. Require no further action pursuant to subsection (9) of this section.

(b) If the remedy selected by the potentially responsible party will not meet the standards listed in paragraph (c) of this subsection, the cabinet shall require the potentially responsible party to submit a modified report meeting the requirements of subsection (7)(h) of this section.

(c) Remedies selected shall:

1. Be protective of human health and the environment;

2. Attain media cleanup standards as specified in this section;

3. Control the sources of releases so as to reduce or eliminate, to the extent practicable, further releases of hazardous substances that may pose a threat to human health and the environment; and

4. Comply with the standards for management of wastes as specified in subsection (13) of this section.

(d) The cabinet shall consider the following evaluation factors in determining whether to approve the remedy selected by the potentially responsible party:

1. Long-term reliability and effectiveness of the remedy, including the magnitude of residual risks in terms of amounts and concentrations of hazardous substances remaining following implementation of the remedy, the type and degree of long-term management required, the potential for exposure of humans and environmental receptors to remaining hazardous substances, the long-term reliability of the engineering and institutional controls, and the potential need for replacement of the remedy;

2. The degree to which the remedy employs treatment that reduces toxicity, mobility, or volume of hazardous substances;

3. The short-term effectiveness of a potential remedy, including consideration of the magnitude of reduction of the existing risks, the short-term risk that might be posed to the community, workers, or the environment during implementation of the remedy, and the time until full protection is achieved;

4. The ease or difficulty of implementing the potential remedy by considering the following types of factors:

a. The degree of difficulty associated with construction and technology;

b. The expected operational reliability of the technologies;

c. The need to coordinate and obtain necessary approvals and permits from other agencies;

d. The availability of necessary equipment and specialists;

e. The available capacity and location of needed treatment, storage, and disposal services;

f. The types of costs, including capital costs, operation and maintenance costs, net present value of capital and operation and maintenance costs, and the potential future remedial actions costs; and

g. The damage to the environment caused by the remedial action; and

5. The cost effectiveness of the remedy.

(e) The potentially responsible party shall specify, as part of the selected remedy, a schedule for initiating and completing the remedial activities, subject to cabinet approval.

(f) Cleanup standards for hazardous substances in groundwater, surface water, air, or soils shall be set forth in the selected remedy. Cleanup standards shall be set at concentration levels which protect human health and the environment.

1. Except as otherwise provided in this subsection, for known or suspected carcinogens, cleanup standards shall be established at concentration levels which represent an excess upper bound lifetime risk to an individual of between one (1) times ten (10) to the negative fourth power and one (1) times (10) to the negative sixth power; for systemic toxicants, cleanup standards shall represent concentration levels to which the human population could be exposed on a daily basis without appreciable risk of deleterious effect during a lifetime.

2. In reviewing media cleanup standards for approval, the cabinet may consider the following:

a. Multiple contaminants in the medium;

b. Exposure threats to sensitive environmental receptors;

c. Other site specific exposure or potential exposure to contaminated media; and

d. The reliability, effectiveness, practicability, or other relevant features of the remedy.

3. For groundwater and surface water that is a current or potential source of drinking water, the cabinet shall consider maximum contaminant levels promulgated under the Federal Safe Drinking Water Act, as amended, in reviewing media cleanup standards for approval.

4. Any cleanup level for a substance in a particular medium set forth in a federally issued document, including, but not limited to, a statute, regulation, guideline, published policy, or consent decree shall be deemed to protect human health and the environment.

5. If the potentially responsible party demonstrates to the satisfaction of the cabinet that a specific concentration of a hazardous substance in a medium at the facility is naturally occurring or from a source other than the facility, the potentially responsible party shall not be required to achieve a cleanup level for that hazardous substance below that specific concentration.

(g) The cabinet shall specify the area in which compliance with the cleanup standards or levels shall be achieved in accordance with the following:

1. For groundwater, the cleanup standard or level shall be achieved throughout the contaminated groundwater, or, at the discretion of the cabinet when the substance is left in place, up to the boundary of the facility encompassing the original source of release.

2. For air, the cleanup standard or level for the source shall be achieved at the facility boundary.

3. For surface water, the cleanup standards or level shall be achieved at the point where the release enters the surface water.

4. For soils, the cleanup standards shall be achieved at any point direct contact exposure to the soils may occur.

5. The cabinet shall specify, in the remedy, the length of time during which the owner or operator shall demonstrate that the concentrations of hazardous substances have not exceeded the standards.

(9) The cabinet may determine that remediation of a release of a hazardous substance from a facility to a media cleanup standard is not necessary if the potentially responsible party demonstrates that:

(a) The affected medium is also contaminated by substances that are naturally occurring or have originated from a source other than the facility, and remediation of the release from the facility would provide no significant reduction in risks to actual or probable receptors;

(b) The hazardous substance is present in groundwater that is not a current or probable source of drinking water and is not migrating to hydrologically connected waters or is unlikely to migrate in a concentration greater than an action level specified in subsection (6) of this section; or

(c) Remediation of the release to media cleanup standards is technically impracticable.

(10) The cabinet shall require the potentially responsible party to demonstrate financial assurance for completing the remedy. The demonstration shall be made no later than one hundred and twenty (120) days after the submission of the plan. If the remedy requires closure of a hazardous waste management unit, and the remedy supplants or modifies the unit's closure or post-closure plan, the cabinet may partially or fully release existing financial assurance for closure, post-closure, and third-party liability. The cabinet may modify the financial assurance requirement based upon a showing by the potentially responsible party that it is financially unable to comply with this requirement.

(11) The cabinet may require the potentially responsible party to prepare detailed construction plans and specifications to implement the approved remedy at the facility. The plan and specifications shall include, but shall not be limited to:

(a) Designs and specifications for units in which hazardous waste and nonhazardous solid waste will be managed, as specified in the approved remedy;

(b) Implementation and long-term maintenance plans;

(c) A project schedule; and

(d) A construction quality assurance program.

(12) (a) Upon approval of the plans and specifications for the remedy, the potentially responsible party shall:

1. Implement the remedy in accordance with the plans and specifications, and consistent with the objectives of the remedies selected;

2. Make available for inspection the approved plans and specifications for the remedy; and

3. Revise the cost estimate used to demonstrate financial assurance under this section, if necessary.

(b) The potentially responsible party may be required by the cabinet to provide progress reports during the design, construction, operation, and maintenance of any remedy.

(c) The cabinet shall periodically review the progress of the remedy. Based on the review, the cabinet may require the potentially responsible party to modify the plans to require additional remedial measures to ensure prompt completion, safety, effectiveness, protectiveness, or reliability of the remedy.

(d) Remedies specified pursuant to this section shall be considered complete when the cabinet determines that:

1. Compliance with all media cleanup standards as specified in the plan have been achieved, except as provided in subsections (8)(f)5. and (9) of this section.

2. All actions required to control the source of contamination have been satisfied; and

3. The procedures specified for removal, decontamination, closure, or post-closure care of units, equipment, devices, or structures required to implement the remedy have been followed.

(e) Upon completion of the remedy, the potentially responsible party shall submit to the cabinet, by registered mail, a request for termination of the remedial action. The request shall include a certification that the remedy has been completed in accordance with the requirements of this section. The request must be signed by the potentially responsible party and by an independent professional skilled in the appropriate technical discipline.

(f) When the cabinet determines that the remedial action has been completed in accordance with the requirements for remedy completion under this section, the cabinet shall:

1. Terminate the remedial action plan; and

2. Release the potentially responsible party from the requirements for financial assurance for the remedial action.

(13) All wastes which are managed pursuant to a remedy required under this section shall be managed in a manner that is necessary to the protection of human health and the environment and that complies with applicable federal, state, and local requirements.

(14) The following persons shall be liable for all costs of removal or remedial action incurred by the Commonwealth, or any other person, consistent with the contingency plan in subsection (4) of this section:

(a) The owner or operator of a facility;

(b) Any person who, at the time of disposal of any hazardous substance, owned or operated any facility at which the hazardous substances were disposed of;

(c) Any person who, by contract, agreement, or otherwise, arranged for disposal or treatment, or arranged with a transporter for transport for disposal or treatment of hazardous substances owned or possessed by the person, by any other party or entity, at any facility or incineration vessel owned or operated by another party or entity and containing the hazardous substances; and

(d) Any person who accepts or accepted any hazardous substances for transport to disposal or treatment facilities, incineration vessels, or sites selected by the person from which there is a release of a hazardous substance which causes the incurrence of response costs.

(15) Defenses to liability, limitations to liability, and rights to contribution shall be determined in accordance with Sections 107(a) through (d), 113(f), and 122(h)(4) of the Federal Comprehensive Environmental Response Compensation and Liability Act, as amended.

(16) Whenever practicable and in the public interest, the cabinet shall, as promptly as possible, reach a final settlement with the potentially responsible party if the settlement involves only a minor portion of the response costs at the facility concerned.

(17) Reasonable settlement offers by potentially responsible parties are encouraged and shall not be ignored by the cabinet. A determination by the cabinet not to accept a reasonable settlement offer is subject to judicial review, if the litigation is eventually brought before a court.

Section 2. KRS 224.60-135 is amended to read as follows:

(1) [~~As required under administrative regulations of the cabinet,~~] A petroleum storage tank owner or operator shall commence, or contract for, corrective action***, in accordance with administrative regulations of the cabinet,*** for a release into the environment from a petroleum storage tank ***upon exceeding the levels established in Section 1(6) of this Act.***

(2) If a petroleum storage tank owner or operator fails or refuses to take corrective action, the cabinet may draw funds from the unobligated balance of the fund to initiate, or contract for, corrective action pursuant to KRS 224.60-105 to 224.60-160 in accordance with subsection (3) of the section.

(3) Except as provided in subsection (4) of this section, before initiating, or contracting for, corrective action, the cabinet shall make a reasonable effort to notify and provide to the petroleum storage tank owner or operator an opportunity to comply with the requirements of this section.

(4) The cabinet may draw funds from the unobligated balance of the fund to undertake, or contract for, corrective action necessary to prevent or remedy an emergency situation threatening public health, safety, or the environment, resulting from a release into the environment from a petroleum storage tank unless a petroleum storage tank owner or operator is taking appropriate action to abate emergency situations in accordance with administrative regulations of the cabinet.

(5) Within six (6) months from April 9, 1990, the state fire marshall shall promulgate administrative regulations which require any person or organization who installs, repairs, closes, or removes an underground storage tank for a petroleum storage tank owner or operator to demonstrate financial capability, including the maintenance of pollution liability insurance, and technical competency and proficiency.

Section 3. KRS 224.46-580 is amended to read as follows:

(1) The General Assembly declares that it is the purpose of this section to promote the development of statewide programs, under the responsibility of a single agency, which are intended to protect the health of the citizens and the environment of the Commonwealth from present and future threats associated with the management of hazardous wastes, including disposal, treatment, recycling, storage, and transportation. The intent of the General Assembly is to add to and coordinate, and not replace, existing efforts and responsibilities in the areas of hazardous waste management, and to leave the primary burden and responsibility for hazardous waste management on private industry; and further to finance assistance and coordination by imposing assessments on the generators of hazardous waste. The assessments are intended to produce a reduction in waste generated; to promote the use of new techniques in recycling, treatment, and alternatives other than land disposal; and to place the burden of financing additional hazardous waste management activities necessarily undertaken by state agencies on the users of those products associated with hazardous waste generation.

(2) The Natural Resources and Environmental Protection Cabinet is given the authority to administer the provisions and programs of this section and the responsibility to achieve the purposes of this section.

(3) In addition to all specific responsibilities contained elsewhere in this chapter, the cabinet shall:

(a) Respond effectively and in a timely manner to emergencies created by the release of hazardous substances, as defined in ***Section 1 of this Act*** [~~KRS 224.01-400~~], into the environment. The cabinet shall provide for adequate containment and removal of the hazardous substances in order that the threat of a release or actual release of the substance may be abated and resultant harm to the environment minimized. The provisions of KRS 45A.695 to 45A.725 may be suspended by the cabinet if necessary to respond to an environmental emergency.

(b) Provide for post-closure monitoring and maintenance of hazardous waste disposal sites upon termination of post-closure monitoring and maintenance responsibilities by persons permitted to operate the facility pursuant to this chapter.

(c) Identify, investigate, classify, contain, or clean up any release, threatened release, or disposal of a hazardous substance where responsible parties are economically or otherwise unavailable to properly address the problem and the problem represents an imminent danger to the health of the citizens and the environment of the Commonwealth.

(4) The cabinet shall have the authority to finance the nonfederal share of the cost for clean up of sites under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Public Law 96-510).

(5) The cabinet shall recover, when possible, actual and necessary expenditures incurred in carrying out the duties under this section. Any expenditures recovered shall be placed in the hazardous waste management fund.

(6) It is the expressed purpose of this section to accomplish effective hazardous waste management that results in a reduction of the generation of hazardous wastes within the Commonwealth; further, it is a purpose of this chapter to allocate a portion of the cost of administering necessary governmental programs related to hazardous waste management to those industries whose products are reasonably related to the production of hazardous waste.

(7) There is hereby imposed upon every person engaged within this state in the generation of hazardous waste an annual hazardous waste management assessment to be determined pursuant to this section according to the quantity by volume of hazardous waste generated, except that no assessment shall be levied against generators for any quantity of "special wastes," waste oil, or spent material from air pollution control devices controlling emissions from coke manufacturing facilities. The assessment shall not be imposed upon any person for any quantities of hazardous waste generated by others for which that person is a secondary handler that stores, processes, or reclaims the waste. The assessment shall be reported and paid to the Natural Resources and Environmental Protection Cabinet on a biannual basis on January 1 and June 30 of each year. The payment shall be accompanied by a report or return in a form that the cabinet may prescribe. If a federal law is enacted which accomplishes or purports to accomplish the purposes set forth in this section and which levies an assessment or tax upon any business assessed pursuant to this section, the amount of the assessment to be levied upon the business under this section shall be reduced by the amount of the federal assessment or tax upon the business. The reduction shall only be authorized when funds raised by the federal assessment or tax are made available to the state for any of the activities to be funded under this section. If federal moneys are available to carry out the duties imposed by subsection (3) of this section, the assessment shall cease to be levied and collected until such time as federal moneys are no longer available to the Commonwealth for these purposes. The assessment shall be charged against generators of hazardous waste until June 30, 2000. After this date, no further hazardous waste management assessment shall be charged against generators.

(8) The assessment on generators shall be ten cents (10) per gallon if the waste is liquid, or five dollars ($5) per cubic yard if the waste is solid.

(a) Hazardous waste that is injected into a permitted underground injection well shall be assessed on a dry weight basis;

(b) Hazardous waste treated, detoxified, solidified, neutralized, recycled, incinerated, or disposed of on-site shall be assessed at one-half (1/2) of the appropriate rate, except for recycled waste used in the steel manufacturing process which shall be exempt; and

(c) Waste that is subject to regulation under Section 402 or 307B of the Federal Clean Water Act shall be exempt.

(9) Except for waste brought into the state by a company to an affiliated manufacturing facility of the company receiving the waste, any person who transports hazardous waste into the state for land disposal or treatment which is generated outside of the state shall pay an assessment to the hazardous waste facility which first receives the waste for storage, treatment, or land disposal. The assessment rate shall be identical to the rate described in subsection (8) of this section. The facility shall remit the assessment to the cabinet on a biannual basis on January 1 and June 30 of each year. The payment shall be accompanied by a return the cabinet shall prescribe.

(10) If any generator or hazardous waste facility subject to the provisions of subsection (8) or (9) of this section fails or refuses to file a return or furnish any information requested in writing by the cabinet, the cabinet may, from any information in its possession, make an estimate and issue an assessment against the generator or hazardous waste facility and add a penalty of ten percent (10%) of the amount of the assessment so determined. This penalty shall be in addition to all other applicable penalties in this chapter.

(11) If any generator or hazardous waste facility subject to the provisions of subsection (8) or (9) of this section fails to make and file a return required by this chapter on or before the due date of the return or the due date as extended by the cabinet, unless it is shown to the satisfaction of the cabinet, that the failure is due to reasonable cause, five percent (5%) of the assessment found to be due by the cabinet shall be added to the assessment for each thirty (30) days or fraction thereof elapsing between the due date of the return and the date on which it is filed, but the total penalty shall not exceed twenty-five percent (25%) of the assessment.

(12) If the assessment imposed by this chapter, whether assessed by the cabinet, or the generator, or any installment or portion of the assessment is not paid on or before the date prescribed for its payment, there shall be collected, as a part of the assessment, interest upon the unpaid amount at the rate of eight percent (8%) per annum from the date prescribed for its payment until payment is actually made to the cabinet.

(13) There is hereby created within the State Treasury a trust and agency fund which shall not lapse to be known as the hazardous waste management fund. The fund shall be deposited in an interest-bearing account. The cabinet shall be responsible for collecting and receiving funds as provided in this section, and all such assessments collected or received by the State Treasury shall be deposited in the hazardous waste management fund. All interest earned on the money deposited in the fund shall be deposited to the fund. When the State Treasurer certifies to the cabinet that the uncommitted balance of the hazardous waste management fund exceeds six million dollars ($6,000,000), assessments shall not be collected until the State Treasurer certifies to the cabinet that the balance in the hazardous waste management fund is less than three million dollars ($3,000,000). The implementation of the cap on the fund shall be suspended from July 13, 1990, until July 1, 1991. In addition, for assessments paid after July 1, 1991, the cabinet shall refund or grant a credit against the next assessment to come due, on a pro-rated basis, any money collected in one (1) year in excess of the cap.

(14) Upon request of the secretary, moneys accumulated in the hazardous waste management fund shall be released in amounts necessary to accomplish the performance of the duties imposed by subsection (3) of this section. However, moneys from the fund shall not be used when federal moneys are available to carry out these duties, except when immediate action is required to protect public health or the environment, in which case the cabinet shall actively pursue reimbursement of the fund by any available federal moneys.

(15) If any person responsible for a release or threatened release of a hazardous substance fails to take response actions or to make reasonable progress in completing response actions ordered by the cabinet, the cabinet may bring an action to compel performance or may take appropriate response actions and order the responsible person to reimburse the cabinet for the actual costs incurred by the cabinet.

(16) If disposal activities have occurred at a hazardous waste site, the cabinet shall record in the office of the county clerk in the county in which a waste site is situated a notice containing a legal description of the property that discloses to any potential transferee that the land was used to dispose hazardous waste and that further information on the hazardous waste site may be obtained from the cabinet.

(17) No person shall affect the integrity of the final cover, liners, or any other components of any containment system after closure of a hazardous waste site on or in which hazardous waste remains without prior written approval of the cabinet.

Section 4. KRS 224.99-010 is amended to read as follows:

(1) Any person who violates KRS 224.10-110(2) or (3), KRS 224.70-110, 224.73-120, 224.20-110, 224.46.580, [~~224.01-400,~~] or who fails to perform any duties imposed by these sections, or who violates any determination, permit, administrative regulation, or order of the cabinet promulgated pursuant thereto shall be liable for a civil penalty not to exceed the sum of twenty-five thousand dollars ($25,000) for each day during which such violation continues, and in addition, may be concurrently enjoined from any such violations as hereinafter provided in this section and KRS 224.99-020.

(2) Any person who violates subsections (4) or (5) of KRS 224.10-110, or KRS 224.40-100, 224.40-305, or any provision of this chapter relating to noise, or who fails to perform any determination, permit, administrative regulation, or order of the cabinet promulgated pursuant thereto shall be liable for a civil penalty not to exceed the sum of five thousand dollars ($5,000) for said violation and an additional civil penalty not to exceed five thousand dollars ($5,000) for each day during which such violation continues, and in addition, may be concurrently enjoined from any such violations as hereinafter provided in this section and KRS 224.99-020.

(3) (a) Any person who shall knowingly violate any of the provisions of this chapter relating to noise or any determination or order of the cabinet promulgated pursuant to those sections which have become final shall be punished by a fine of not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000), or by imprisonment for a term of not more than one (1) year, or by both fine and imprisonment for each separate violation. Each day upon which such violation occurs shall constitute a separate violation.

(b) For violations by motor vehicles, the fine shall be not less than ten dollars ($10) nor more than fifty dollars ($50) for a first offense, and not less than fifty dollars ($50) nor more than one hundred dollars ($100) for each subsequent offense.

(4) Any person who knowingly violates KRS 224.70-110, 224.73-120, 224.40-100, 224.20-110, 224.40-305, or KRS 224.10-110(2) or (3), or any determination, permit, administrative regulation, or order of the cabinet promulgated pursuant to those sections which have become final, or who knowingly provides false information in any document filed or required to be maintained under this chapter, or who knowingly renders inaccurate any monitoring device or method, or who tampers with a water supply, water purification plant, or water distribution system so as to knowingly endanger human life, shall be guilty of a Class D felony, and upon conviction thereof, shall be punished by a fine not to exceed twenty-five thousand dollars ($25,000), or by imprisonment for a term of not less than one (1) year and not more than five (5) years, or by both fine and imprisonment, for each separate violation. Each day upon which such violation occurs shall constitute a separate violation.

(5) If any person engages in generation, treatment, storage, transportation, or disposal of hazardous waste in violation of the hazardous waste management provisions of this chapter or contrary to a permit, order, or rule issued or promulgated under this chapter, or fails to provide information or to meet reporting requirements required by terms and conditions of a permit or administrative regulations promulgated pursuant to this chapter, the secretary may issue an order requiring compliance within a specified time period or may commence a civil action in a court of appropriate jurisdiction. The violator shall be liable for a civil penalty not to exceed the sum of twenty-five thousand dollars ($25,000) for each day during which such violation continues, and in addition, may be enjoined from continuing such violations in a court of appropriate jurisdiction.

(6) Any person who knowingly is engaged in generation, treatment, storage, transportation, or disposal of hazardous waste in violation of this chapter or contrary to a permit, order, or administrative regulation issued or promulgated under this chapter, or knowingly makes a false statement, representation, or certification in an application for or form pertaining to a permit or in a notice or report required by the terms and conditions of an issued permit, shall be guilty of a felony, and upon conviction thereof, shall be punished by a fine not to exceed twenty-five thousand dollars ($25,000) for each day of violation or by imprisonment for a term of not less than one (1) year and not more than five (5) years or by both fine and imprisonment for each separate violation. Each day upon which such violation occurs shall constitute a separate violation.

(7) Nothing contained in subsections (4) or (5) of this section shall abridge the right of any person to recover actual compensatory damages resulting from any such violation.

(8) Any person who violates any provision of this chapter to which no express penalty provision applies, except as provided in KRS 211.995, or who fails to perform any duties imposed by those sections, or who violates any determination or order of the cabinet promulgated pursuant thereto shall be liable for a civil penalty not to exceed the sum of one thousand dollars ($1,000) for said violation and an additional civil penalty not to exceed one thousand dollars ($1,000) for each day during which such violation continues, and in addition, may be concurrently enjoined from any such violations as hereinafter provided in this section and KRS 224.99-020.

(9) The Franklin Circuit Court shall hold concurrent jurisdiction and venue of all civil, criminal, and injunctive actions instituted by the cabinet or by the Attorney General on its behalf for the enforcement of the provisions of this chapter or the orders and administrative regulations of the cabinet promulgated pursuant thereto.

(10) Any person who deposits leaves, clippings, prunings, garden refuse, or household waste materials in any litter receptacle, except with permission of the owner of such receptacle, or who places litter into a receptacle in such a manner that the litter may be carried away or deposited by the elements upon any property or water not owned by him is guilty of a Class B misdemeanor.

(11) In addition to or in lieu of the penalties set forth in this section or in KRS Chapters 532 and 534, any person found guilty of a second or subsequent offense related to littering may be ordered by the court to pick up litter for not less than four (4) hours.

(12) Any person who violates a provision of this chapter relating to accreditation requirements for asbestos abatement professionals performing asbestos abatement activities in schools shall be liable to the Commonwealth of Kentucky for a civil penalty in an amount not to exceed twenty-five thousand dollars ($25,000) for each violation. Each day a violation continues shall, for purposes of this subsection, constitute a separate violation of provisions of this chapter relating to accreditation requirements for asbestos abatement professionals performing asbestos abatement activities in schools.

(13) A violation of KRS 224.50-413 shall be subject to a fifty dollar ($50) fine for each day the violation continues.

Section 5. The following KRS section is repealed:

224.01-400 Definitions — Regulations — Notification — Minimization — Emergency plan — Inventory of treated and untreated sites — Powers of cabinet — Lien of cabinet for costs of cleanup.

The Committee Substitute to **HB 540** is as follows:

HB 540, AN ACT relating to the environment.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF SUBCHAPTER 46 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section unless the context requires otherwise:

(a) "Act of God" means an unanticipated grave natural disaster or other natural phenomenon of an exceptional, inevitable, and irresistible character, the effects of which could not have been prevented or avoided by the exercise of due care or foresight;

(b) "Cabinet" means the Natural Resources and Environmental Protection Cabinet;

(c) "Environment" means the waters of the Commonwealth, land surface, surface and subsurface soils and strata, or ambient air within the Commonwealth or under the jurisdiction of the Commonwealth;

(d) "Facility" means:

1. Any building, structure, installation, equipment, pipe, or pipeline (including any pipe into a sewer or publicly owned treatment works), well, pit, pond, lagoon, impoundment, ditch, landfill, storage container, motor vehicle, rolling stock, or aircraft; or

2. Any site or area where a hazardous substance has been deposited, stored, disposed of, placed, or otherwise come to be located, but does not include any consumer product in consumer use or any vessel;

(e) "Federally permitted release" shall have the meaning given in 42 U.S.C. sec. 9601(10);

(f) "Hazardous substance" shall have the meaning given in 42 U.S.C. sec. 9601(14) and shall include substances regulated under KRS 224.50-130;

(g) "Person" means an individual, trust, firm, joint stock company, corporation, partnership, association, municipal corporation, political subdivision, interstate body, the state and any agency or commission of the state, and the federal government, and any agency of the federal government;

(h) "Potentially responsible party" means those persons identified in subsection (14) of this section as being potentially liable for the costs of removal or remedial action;

(i) "Owner or operator" shall have the meaning given in 42 U.S.C. sec. 9601(20);

(j) "Release" shall have the meaning given in 42 U.S.C. sec. 9601(22);

(k) "Remove" or "removal" shall have the meaning given in 42 U.S.C. sec. 9601(23); and

(l) "Remedy" or "remedial action" shall have the meaning given in 42 U.S.C. sec. 9601(24).

(2) (a) The cabinet shall promulgate and revise as may be appropriate:

1. Administrative regulations designating as hazardous substances the elements, compounds, mixtures, solutions, and substances which are subject to this section; and

2. Administrative regulations stating what quantity of a hazardous substance must be released before it is reportable.

(b) The substances and reportable quantities designated in administrative regulations promulgated by the cabinet pursuant to paragraph (a) of this subsection shall be identical to those substances and reportable quantities designated by the United States Environmental Protection Agency pursuant to 42 U.S.C. sec. 9602(a) except that the cabinet shall also designate reportable quantities for substances regulated under KRS 224.50-130.

(c) This section shall have no effect until the cabinet promulgates administrative regulations as required by subsection (2)(a) of this section.

(3) Any person in charge of a facility shall, as soon as he has knowledge of any release, occurring on or after the effective date of this section, which is not authorized by a permit issued by the cabinet or the United States Environmental Protection Agency or is not a federally permitted release to the environment of a hazardous substance from the facility in quantities equal to or greater than those determined pursuant to subsection (2) of this section, immediately notify the cabinet of the release. Notification received pursuant to this subsection or information obtained by the exploitation of the notification shall not be used against any person giving the notice in any criminal case, except a prosecution for perjury or for giving a false statement.

(4) The cabinet shall be the lead agency for hazardous substance emergency spill response and, after consultation with other affected federal, state, and local agencies and private organizations, shall establish a contingency plan, which is consistent with the national contingency plan for undertaking emergency actions in response to the release of a hazardous substance.

(5) (a) Whenever any hazardous substance is released into the environment which may present an imminent and substantial danger to the public health or welfare, the cabinet may act, consistent with the contingency plan in subsection (4) of this section, to remove, or arrange for the removal of, the hazardous substance.

(b) The cabinet may further provide for investigations or remedial action relating to a release of hazardous substances in accordance with subsections (7) to (13) of this section, as necessary to protect human health and the environment.

(c) When the cabinet determines that any investigation or remedial action will be done properly and promptly by the owner or operator of the facility, or by any other responsible party as set out in this section, the cabinet may accept the person's investigation and remedial action as satisfying the requirements of this section.

(d) The cabinet shall not undertake a removal or remedial action under this section in response to a release:

1. Of a naturally occurring substance in its unaltered form, or altered solely through naturally occurring processes or phenomena, from a location where it is naturally found;

2. From products which are part of the structure of, and result in exposure within, residential buildings or business or community structures; or

3. Into public or private drinking water supplies due to deterioration of the system through ordinary use.

(6) For the purposes of Sections 1 and 4 of this Act, action levels for removal or remedial action under this section in response to a release are defined as follows:

(a) Action levels for hazardous substances in groundwater or in an aquifer, which have been released from a facility, shall be specified as:

1. Maximum contaminant levels promulgated under the Federal Safe Drinking Water Act, as amended; or

2. For hazardous substances for which maximum contaminant levels have not been promulgated, a concentration which satisfies the following criteria, assuming exposure through consumption of the water contaminated with the hazardous substances:

a. Is derived in a manner consistent with federal Environmental Protection Agency guidelines for assessing the health risks of environmental pollutants, scientifically valid studies conducted in accordance with the Federal Toxic Substances Control Act, as amended, good laboratory practice standards, or the equivalent thereof;

b. For carcinogens, represents a concentration associated with an excess upper bound lifetime cancer risk of one (1) times ten (10) to the negative sixth power due to continuous constant lifetime exposure, and considers the overall weight of evidence for carcinogenicity; and

c. For systemic toxicants, represents a concentration to which the human population could be exposed on a daily basis that is likely to be without appreciable risk of deleterious effects during a lifetime.

(b) Action levels for hazardous substances in surface water, which have been released from a facility shall be specified as:

1. Maximum contaminant levels, as promulgated under the Federal Safe Drinking Water Act, as amended, for hazardous substances in surface waters designated for drinking water supply;

2. For hazardous substances in surface waters designated for drinking water for which maximum contaminant levels are not available, a concentration which meets the criteria specified in subsection (6)(a)2.a. to c. of this section, assuming exposure through consumption of the water contaminated with the hazardous substance; or

3. For hazardous substances in surface waters designated for use or uses other than drinking water supply, a concentration established by the cabinet which meets the criteria specified in subsection (6)(a)2.a. to c. of this section, considering the use or uses of the receiving waters.

(c) Action levels for hazardous substances in soils that have been released from a facility shall be defined as concentrations which meet the criteria specified in subsection (6)(a)2.a. to c. of this section, assuming exposure through consumption of the soil contaminated with the hazardous substance.

(d) If, for a hazardous substance detected in groundwater in an aquifer, surface water, or soils, a concentration meeting the criteria of subsection (6)(a) to (c) of this section, is not available or cannot be developed for use as an action level, the cabinet may establish an action level for the hazardous substance as:

1. A level that is an indicator for protection of human health and the environment, using the exposure assumptions for the particular medium specified in this subsection; or

2. The background concentration of the hazardous substance.

(7) (a) If at any time there has been a release of hazardous substances from a facility which results in concentrations of hazardous substances in groundwater in an aquifer, surface water, or soils in levels which exceed an action level, as defined in subsection (6) of this section, the cabinet may require the potentially responsible party to perform a corrective measure study.

(b) If a hazardous substance introduced into the environment as the result of a release of a hazardous substance from a facility is present in a concentration below an action level and poses a threat to human health or the environment, given site specific exposure conditions, the cabinet may require a corrective measure study.

(c) If an action level has been exceeded, but the cabinet determines, based upon evidence gathered by the cabinet or provided by the potentially responsible party, that the release may nevertheless not pose a threat to human health and the environment, the cabinet may allow the potentially responsible party to apply for a determination of no further action, pursuant to subsection (9) of this section.

(d) The cabinet shall notify the potentially responsible party in writing of the requirement to conduct a corrective measure study and shall specifically identify the hazardous substances released which exceed specified action levels and the evidence supporting its determination.

(e) If the cabinet orders a corrective measure study pursuant to this subsection, the cabinet may require

the potentially responsible party to develop and submit a plan for conducting the corrective measure study.

1. The plan shall be subject to review and approval by the cabinet.

2. The cabinet shall fully consider all parts of the submitted plan before taking action on it.

3. If the cabinet does not accept a portion of the submitted plan, the cabinet shall issue a statement of consideration explaining the reasons for not accepting the plan.

4. The potentially responsible party may modify any plan not accepted by the cabinet and resubmit the modified plan for cabinet approval.

5. The corrective measure study plans shall include, but not be limited to:

a. A description of the general approach to investigating and evaluating potential remedies in response to the release for which submission of the plan is required;

b. A definition of the overall objectives of the study;

c. A description of specific remedies which will be studied;

d. A plan for evaluating the remedies to ensure compliance with the standards for remedies;

e. A schedule for conducting the study; and

f. A proposed format for information presentation.

(f) Upon approval by the cabinet of the corrective measure study plan, as modified, the potentially responsible party shall conduct the studies and investigations in accordance with the plan.

(g) The cabinet may require periodic reports during the implementation of the corrective measure study, and may, based upon information from these reports or other information, require the potentially responsible party to modify the corrective measure study.

(h) Upon completion of the corrective measure study, the potentially responsible party shall submit a report summarizing the results of the study, including a detailed description of the remedy selected and how the proposed remedy meets the standards for remedies as specified in subsection (8)(c) of this section, or requesting a determination of no further action pursuant to subsection (9) of this section.

(i) Notwithstanding any other provision of this subsection, a corrective measure study shall not be required for a potentially responsible party choosing to conduct a cleanup, in response to a release of a hazardous substance, to the background level of the hazardous substance.

(8) (a) Based on the results of the corrective measure study, and any further evaluations, the cabinet shall:

1. Determine whether the selected remedy meets, at a minimum, the standards listed in paragraph (c) of this subsection; or

2. Require no further action pursuant to subsection (9) of this section.

(b) If the remedy selected by the potentially responsible party will not meet the standards listed in paragraph (c) of this subsection, the cabinet shall require the potentially responsible party to submit a modified report meeting the requirements of subsection (7)(h) of this section.

(c) Remedies selected shall:

1. Be protective of human health and the environment;

2. Attain media cleanup standards for the hazardous substance released from a facility as specified in this section;

3. Control the sources of releases of the hazardous substance for which the corrective measure study is required so as to reduce or eliminate, to the extent reasonably feasible, further releases of the hazardous substances that may pose a threat to human health and the environment; and

4. Comply with the standards for management of wastes as specified in subsection (13) of this section.

(d) The cabinet shall consider the following evaluation factors in determining whether to approve the remedy selected by the potentially responsible party:

1. Long-term reliability and effectiveness of the remedy, including the magnitude of residual risks in terms of amounts and concentrations of released hazardous substances remaining following implementation of the remedy, the type and degree of long-term management required, the potential for exposure of humans and environmental receptors to released hazardous substances remaining following implementation of the remedy, the long-term reliability of the engineering and institutional controls, and the potential need for replacement of the remedy;

2. The degree to which the remedy employs treatment that reduces toxicity, mobility, or volume of hazardous substances;

3. The short-term effectiveness of a potential remedy, including consideration of the magnitude of reduction of the existing risks, the short-term risk that might be posed to the community, workers, or the environment during implementation of the remedy, and the time until full protection is achieved;

4. The ease or difficulty of implementing the potential remedy by considering the following types of factors:

a. The degree of difficulty associated with construction and technology;

b. The expected operational reliability of the technologies;

c. The need to coordinate and obtain necessary approvals and permits from other agencies;

d. The availability of necessary equipment and specialists;

e. The available capacity and location of needed treatment; storage, and disposal services;

f. The types of costs, including capital costs, operation and maintenance costs, net present value of capital and operation and maintenance costs, and the potential future remedial actions costs; and

g. The damage to the environment caused by the remedial action; and

5. The cost effectiveness of the remedy.

(e) The potentially responsible party shall specify, as part of the selected remedy, a schedule for initiating and completing the remedial activities, subject to cabinet approval.

(f) Cleanup standards for hazardous substances in groundwater, surface water, or soils shall be set forth in the selected remedy. Cleanup standards shall be set at concentration levels which protect human health and the environment.

1. Except as otherwise provided in this subsection, for known or suspected carcinogens, cleanup standards shall be established at concentration levels which represent an excess upper bound lifetime risk to an individual of between one (1) times ten (10) to the negative fourth power and one (1) times (10) to the negative sixth power; for systemic toxicants, cleanup standards shall represent concentration levels to which the human population could be exposed on a daily basis without appreciable risk of deleterious effect during a lifetime.

2. In reviewing media cleanup standards for approval, the cabinet may consider the following:

a. Multiple contaminants in the medium;

b. Exposure threats to sensitive environmental receptors;

c. Other site specific exposure or potential exposure to contaminated media; and

d. The reliability, effectiveness, practicability, or other relevant features of the remedy.

3. For groundwater and surface water that is a current or potential source of drinking water, the cabinet shall consider maximum contaminant levels promulgated under the Federal Safe Drinking Water Act, as amended, in reviewing media cleanup standards for approval.

4. Any cleanup level for a substance in a particular medium set forth in a federally issued document, including, but not limited to, a statute, regulation, guideline, published policy, or consent decree shall be deemed to protect human health and the environment.

5. If the potentially responsible party demonstrates to the satisfaction of the cabinet that a specific concentration of a hazardous substance in a medium at the facility is naturally occurring or from a source other than the facility, the potentially responsible party shall not be required to achieve a cleanup level for that hazardous substance below that specific concentration.

(g) The cabinet shall specify the area in which compliance with the cleanup standards or levels shall be achieved in accordance with the following:

1. For groundwater, the cleanup standard or level shall be achieved throughout the contaminated groundwater, or, when the substance is left in place, up to the boundary of the property encompassing the facility.

2. For surface water, the cleanup standards or level shall be achieved at the point where the release enters the surface water.

3. For soils, the cleanup standards shall be achieved at any point direct contact exposure to the soils may occur.

4. The cabinet shall specify, in the remedy, the length of time during which the owner or operator shall demonstrate that the concentrations of hazardous substances have not exceeded the standards.

(9) The cabinet may determine that remediation of a release of a hazardous substance from a facility to a media cleanup standard is not necessary if the potentially responsible party demonstrates that:

(a) The affected medium is also contaminated by substances that are naturally occurring or have originated from a source other than the facility, and remediation of the release from the facility would provide no significant reduction in risks to actual or probable receptors;

(b) The hazardous substance is present in groundwater that is not a current or probable source of drinking water and is not migrating to hydrologically connected waters or is unlikely to migrate in a concentration greater than an action level specified in subsection (6) of this section; or

(c) Remediation of the release to media cleanup standards is technically impracticable.

(10) The cabinet shall require the potentially responsible party to demonstrate financial assurance for completing the remedy. The demonstration shall be made no later than one hundred and twenty (120) days after the submission of the plan. If the remedy requires closure of a hazardous waste management unit, and the remedy supplants or modifies the unit's closure or post-closure plan, the cabinet may partially or fully release existing financial assurance for closure, post-closure, and third-party liability. The cabinet may modify the financial assurance requirement based upon a showing by the potentially responsible party that it is financially unable to comply with this requirement.

(11) The cabinet may require the potentially responsible party to prepare detailed construction plans and specifications to implement the approved remedy at the facility. The plan and specifications shall include, but shall not be limited to:

(a) Designs and specifications for units in which hazardous waste and nonhazardous solid waste will be managed, as specified in the approved remedy;

(b) Implementation and long-term maintenance plans;

(c) A project schedule; and

(d) A construction quality assurance program.

(12) (a) Upon approval of the plans and specifications for the remedy, the potentially responsible party shall:

1. Implement the remedy in accordance with the plans and specifications, and consistent with the objectives of the remedies selected;

2. Make available for inspection the approved plans and specifications for the remedy; and

3. Revise the cost estimate used to demonstrate financial assurance under this section, if necessary.

(b) The potentially responsible party may be required by the cabinet to provide progress reports during the design, construction, operation, and maintenance of any remedy.

(c) The cabinet shall periodically review the progress of the remedy. Based on the review, the cabinet may require the potentially responsible party to modify the plans to require additional remedial measures to ensure prompt completion, safety, effectiveness, protectiveness, or reliability of the remedy.

(d) Remedies specified pursuant to this section shall be considered complete when the cabinet determines that:

1. Compliance with all media cleanup standards as specified in the plan have been achieved, except as provided in subsections (8)(f)5. and (9) of this section.

2. All actions required by the plan to control the source of releases have been satisfied; and

3. The procedures specified for removal, decontamination, closure, or post-closure care of units, equipment, devices, or structures required to implement the remedy have been followed.

(e) Upon completion of the remedy, the potentially responsible party shall submit to the cabinet, by registered mail, a request for termination of the remedial action. The request shall include a certification that the remedy has been completed in accordance with the requirements of this section. The request must be signed by the potentially responsible party.

(f) When the remedial action has been completed in accordance with the requirements for remedy completion under this section, the cabinet shall:

1. Terminate the remedial action plan; and

2. Release the potentially responsible party from the requirements for financial assurance for the remedial action.

(13) All wastes which are managed pursuant to a remedy required under this section shall be managed in a manner that is necessary to the protection of human health and the environment and that complies with applicable federal, state, and local requirements.

(14) The following persons shall be liable for all costs of removal or remedial action incurred by the Commonwealth, or any other person, consistent with the contingency plan in subsection (4) of this section:

(a) The owner or operator of a facility;

(b) Any person who, at the time of disposal of any hazardous substance, owned or operated any facility at which the hazardous substances were disposed of;

(c) Any person who, by contract, agreement, or otherwise, arranged for disposal or treatment, or arranged with a transporter for transport for disposal or treatment of hazardous substances owned or possessed by the person, by any other party or entity, at any facility or incineration vessel owned or operated by another party or entity and containing the hazardous substances; and

(d) Any person who accepts or accepted any hazardous substances for transport to disposal or treatment facilities, incineration vessels, or sites selected by the person from which there is a release of a hazardous substance which causes the incurrence of response costs.

(15) Defenses to liability, limitations to liability, and rights to contribution shall be determined in accordance with Sections 107(a) through (d), 113(f), and 122(h)(4) of the Federal Comprehensive Environmental Response Compensation and Liability Act, as amended.

(16) Whenever practicable and in the public interest, the cabinet shall, as promptly as possible, reach a final settlement with the potentially responsible party if the settlement involves only a minor portion of the response costs at the facility concerned.

(17) Reasonable settlement offers by potentially responsible parties are encouraged and shall not be ignored by the cabinet. A determination by the cabinet not to accept a reasonable settlement offer is subject to judicial review, if the litigation is eventually brought before a court.

(18) The cabinet shall have the authority to promulgate administrative regulations imposing standards which differ from those herein that relate to individual hazardous substances, but only for the purpose of:

(a) Protecting human health and the environment;

(b) Maintaining consistency with newly promulgated federal regulations; and

(c) Maintaining consistency with valid scientific development.

Section 2. KRS 224.60-135 is amended to read as follows:

(1) [~~As required under administrative regulations of the cabinet,~~] A petroleum storage tank owner or operator shall commence, or contract for, corrective action***, in accordance with administrative regulations of the cabinet,*** for a release into the environment from a petroleum storage tank ***upon exceeding the levels established in Section 1(6) of this Act, except that the level shall not be lower than one (1) part per million***.

(2) If a petroleum storage tank owner or operator fails or refuses to take corrective action, the cabinet may draw funds from the unobligated balance of the fund to initiate, or contract for, corrective action pursuant to KRS 224.60-105 to 224.60-160 in accordance with subsection (3) of the section.

(3) Except as provided in subsection (4) of this section, before initiating, or contracting for, corrective action, the cabinet shall make a reasonable effort to notify and provide to the petroleum storage tank owner or operator an opportunity to comply with the requirements of this section.

(4) The cabinet may draw funds from the unobligated balance of the fund to undertake, or contract for, corrective action necessary to prevent or remedy an emergency situation threatening public health, safety, or the environment, resulting from a release into the environment from a petroleum storage tank unless a petroleum storage tank owner or operator is taking appropriate action to abate emergency situations in accordance with administrative regulations of the cabinet.

(5) Within six (6) months from April 9, 1990, the state fire marshall shall promulgate administrative regulations which require any person or organization who installs, repairs, closes, or removes an underground storage tank for a petroleum storage tank owner or operator to demonstrate financial capability, including the maintenance of pollution liability insurance, and technical competency and proficiency.

Section 3. KRS 224.46-580 is amended to read as follows:

(1) The General Assembly declares that it is the purpose of this section to promote the development of statewide programs, under the responsibility of a single agency, which are intended to protect the health of the citizens and the environment of the Commonwealth from present and future threats associated with the management of hazardous wastes, including disposal, treatment, recycling, storage, and transportation. The intent of the General Assembly is to add to and coordinate, and not replace, existing efforts and responsibilities in the areas of hazardous waste management, and to leave the primary burden and responsibility for hazardous waste management on private industry; and further to finance assistance and coordination by imposing assessments on the generators of hazardous waste. The assessments are intended to produce a reduction in waste generated; to promote the use of new techniques in recycling, treatment, and alternatives other than land disposal; and to place the burden of financing additional hazardous waste management activities necessarily undertaken by state agencies on the users of those products associated with hazardous waste generation.

(2) The Natural Resources and Environmental Protection Cabinet is given the authority to administer the provisions and programs of this section and the responsibility to achieve the purposes of this section.

(3) In addition to all specific responsibilities contained elsewhere in this chapter, the cabinet shall:

(a) Respond effectively and in a timely manner to emergencies created by the release of hazardous substances, as defined in ***Section 1 of this Act*** [~~KRS 224.01-400~~], into the environment. The cabinet shall provide for adequate containment and removal of the hazardous substances in order that the threat of a release or actual release of the substance may be abated and resultant harm to the environment minimized. The provisions of KRS 45A.695 to 45A.725 may be suspended by the cabinet if necessary to respond to an environmental emergency.

(b) Provide for post-closure monitoring and maintenance of hazardous waste disposal sites upon termination of post-closure monitoring and maintenance responsibilities by persons permitted to operate the facility pursuant to this chapter.

(c) Identify, investigate, classify, contain, or clean up any release, threatened release, or disposal of a hazardous substance where responsible parties are economically or otherwise unavailable to properly address the problem and the problem represents an imminent danger to the health of the citizens and the environment of the Commonwealth.

(4) The cabinet shall have the authority to finance the nonfederal share of the cost for clean up of sites under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Public Law 96-510).

(5) The cabinet shall recover, when possible, actual and necessary expenditures incurred in carrying out the duties under this section. Any expenditures recovered shall be placed in the hazardous waste management fund.

(6) It is the expressed purpose of this section to accomplish effective hazardous waste management that results in a reduction of the generation of hazardous wastes within the Commonwealth; further, it is a purpose of this chapter to allocate a portion of the cost of administering necessary governmental programs related to hazardous waste management to those industries whose products are reasonably related to the production of hazardous waste.

(7) There is hereby imposed upon every person engaged within this state in the generation of hazardous waste an annual hazardous waste management assessment to be determined pursuant to this section according to the quantity by volume of hazardous waste generated, except that no assessment shall be levied against generators for any quantity of "special wastes," waste oil, or spent material from air pollution control devices controlling emissions from coke manufacturing facilities. The assessment shall not be imposed upon any person for any quantities of hazardous waste generated by others for which that person is a secondary handler that stores, processes, or reclaims the waste. The assessment shall be reported and paid to the Natural Resources and Environmental Protection Cabinet on a biannual basis on January 1 and June 30 of each year. The payment shall be accompanied by a report or return in a form that the cabinet may prescribe. If a federal law is enacted which accomplishes or purports to accomplish the purposes set forth in this section and which levies an assessment or tax upon any business assessed pursuant to this section, the amount of the assessment to be levied upon the business under this section shall be reduced by the amount of the federal assessment or tax upon the business. The reduction shall only be authorized when funds raised by the federal assessment or tax are made available to the state for any of the activities to be funded under this section. If federal moneys are available to carry out the duties imposed by subsection (3) of this section, the assessment shall cease to be levied and collected until such time as federal moneys are no longer available to the Commonwealth for these purposes. The assessment shall be charged against generators of hazardous waste until June 30, 2000. After this date, no further hazardous waste management assessment shall be charged against generators.

(8) The assessment on generators shall be ten cents (10) per gallon if the waste is liquid, or five dollars ($5) per cubic yard if the waste is solid.

(a) Hazardous waste that is injected into a permitted underground injection well shall be assessed on a dry weight basis;

(b) Hazardous waste treated, detoxified, solidified, neutralized, recycled, incinerated, or disposed of on-site shall be assessed at one-half (1/2) of the appropriate rate, except for recycled waste used in the steel manufacturing process which shall be exempt; and

(c) Waste that is subject to regulation under Section 402 or 307B of the Federal Clean Water Act shall be exempt.

(9) Except for waste brought into the state by a company to an affiliated manufacturing facility of the company receiving the waste, any person who transports hazardous waste into the state for land disposal or treatment which is generated outside of the state shall pay an assessment to the hazardous waste facility which first receives the waste for storage, treatment, or land disposal. The assessment rate shall be identical to the rate described in subsection (8) of this section. The facility shall remit the assessment to the cabinet on a biannual basis on January 1 and June 30 of each year. The payment shall be accompanied by a return the cabinet shall prescribe.

(10) If any generator or hazardous waste facility subject to the provisions of subsection (8) or (9) of this section fails or refuses to file a return or furnish any information requested in writing by the cabinet,

the cabinet may, from any information in its possession, make an estimate and issue an assessment against the generator or hazardous waste facility and add a penalty of ten percent (10%) of the amount of the assessment so determined. This penalty shall be in addition to all other applicable penalties in this chapter.

(11) If any generator or hazardous waste facility subject to the provisions of subsection (8) or (9) of this section fails to make and file a return required by this chapter on or before the due date of the return or the due date as extended by the cabinet, unless it is shown to the satisfaction of the cabinet, that the failure is due to reasonable cause, five percent (5%) of the assessment found to be due by the cabinet shall be added to the assessment for each thirty (30) days or fraction thereof elapsing between the due date of the return and the date on which it is filed, but the total penalty shall not exceed twenty-five percent (25%) of the assessment.

(12) If the assessment imposed by this chapter, whether assessed by the cabinet, or the generator, or any installment or portion of the assessment is not paid on or before the date prescribed for its payment, there shall be collected, as a part of the assessment, interest upon the unpaid amount at the rate of eight percent (8%) per annum from the date prescribed for its payment until payment is actually made to the cabinet.

(13) There is hereby created within the State Treasury a trust and agency fund which shall not lapse to be known as the hazardous waste management fund. The fund shall be deposited in an interest-bearing account. The cabinet shall be responsible for collecting and receiving funds as provided in this section, and all such assessments collected or received by the State Treasury shall be deposited in the hazardous waste management fund. All interest earned on the money deposited in the fund shall be deposited to the fund. When the State Treasurer certifies to the cabinet that the uncommitted balance of the hazardous waste management fund exceeds six million dollars ($6,000,000), assessments shall not be collected until the State Treasurer certifies to the cabinet that the balance in the hazardous waste management fund is less than three million dollars ($3,000,000). The implementation of the cap on the fund shall be suspended from July 13, 1990, until July 1, 1991. In addition, for assessments paid after July 1, 1991, the cabinet shall refund or grant a credit against the next assessment to come due, on a pro-rated basis, any money collected in one (1) year in excess of the cap.

(14) Upon request of the secretary, moneys accumulated in the hazardous waste management fund shall be released in amounts necessary to accomplish the performance of the duties imposed by subsection (3) of this section. However, moneys from the fund shall not be used when federal moneys are available to carry out these duties, except when immediate action is required to protect public health or the environment, in which case the cabinet shall actively pursue reimbursement of the fund by any available federal moneys.

(15) If any person responsible for a release or threatened release of a hazardous substance fails to take response actions or to make reasonable progress in completing response actions ordered by the cabinet, the cabinet may bring an action to compel performance or may take appropriate response actions and order the responsible person to reimburse the cabinet for the actual costs incurred by the cabinet.

(16) If disposal activities have occurred at a hazardous waste site, the cabinet shall record in the office of the county clerk in the county in which a waste site is situated a notice containing a legal description of the property that discloses to any potential transferee that the land was used to dispose hazardous waste and that further information on the hazardous waste site may be obtained from the cabinet.

(17) No person shall affect the integrity of the final cover, liners, or any other components of any containment system after closure of a hazardous waste site on or in which hazardous waste remains without prior written approval of the cabinet.

Section 4. KRS 224.99-010 is amended to read as follows:

(1) Any person who violates KRS 224.10-110(2) or (3), KRS 224.70-110, 224.73-120, 224.20-110, 224.46.580, [~~224.01-400,~~] or who fails to perform any duties imposed by these sections, or who violates any determination, permit, administrative regulation, or order of the cabinet promulgated pursuant thereto shall be liable for a civil penalty not to exceed the sum of twenty-five thousand dollars ($25,000) for each day during which such violation continues, and in addition, may be concurrently enjoined from any such violations as hereinafter provided in this section and KRS 224.99-020.

(2) Any person who violates subsections (4) or (5) of KRS 224.10-110, or KRS 224.40-100, 224.40-305, or any provision of this chapter relating to noise, or who fails to perform any determination, permit, administrative regulation, or order of the cabinet promulgated pursuant thereto shall be liable for a civil penalty not to exceed the sum of five thousand dollars ($5,000) for said violation and an additional civil penalty not to exceed five thousand dollars ($5,000) for each day during which such violation continues, and in addition,

may be concurrently enjoined from any such violations as hereinafter provided in this section and KRS 224.99-020.

(3) (a) Any person who shall knowingly violate any of the provisions of this chapter relating to noise or any determination or order of the cabinet promulgated pursuant to those sections which have become final shall be punished by a fine of not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000), or by imprisonment for a term of not more than one (1) year, or by both fine and imprisonment for each separate violation. Each day upon which such violation occurs shall constitute a separate violation.

(b) For violations by motor vehicles, the fine shall be not less than ten dollars ($10) nor more than fifty dollars ($50) for a first offense, and not less than fifty dollars ($50) nor more than one hundred dollars ($100) for each subsequent offense.

(4) Any person who knowingly violates KRS 224.70-110, 224.73-120, 224.40-100, 224.20-110, 224.40-305, or KRS 224.10-110(2) or (3), or any determination, permit, administrative regulation, or order of the cabinet promulgated pursuant to those sections which have become final, or who knowingly provides false information in any document filed or required to be maintained under this chapter, or who knowingly renders inaccurate any monitoring device or method, or who tampers with a water supply, water purification plant, or water distribution system so as to knowingly endanger human life, shall be guilty of a Class D felony, and upon conviction thereof, shall be punished by a fine not to exceed twenty-five thousand dollars ($25,000), or by imprisonment for a term of not less than one (1) year and not more than five (5) years, or by both fine and imprisonment, for each separate violation. Each day upon which such violation occurs shall constitute a separate violation.

(5) If any person engages in generation, treatment, storage, transportation, or disposal of hazardous waste in violation of the hazardous waste management provisions of this chapter or contrary to a permit, order, or rule issued or promulgated under this chapter, or fails to provide information or to meet reporting requirements required by terms and conditions of a permit or administrative regulations promulgated pursuant to this chapter, the secretary may issue an order requiring compliance within a specified time period or may commence a civil action in a court of appropriate jurisdiction. The violator shall be liable for a civil penalty not to exceed the sum of twenty-five thousand dollars ($25,000) for each day during which such violation continues, and in addition, may be enjoined from continuing such violations in a court of appropriate jurisdiction.

(6) Any person who knowingly is engaged in generation, treatment, storage, transportation, or disposal of hazardous waste in violation of this chapter or contrary to a permit, order, or administrative regulation issued or promulgated under this chapter, or knowingly makes a false statement, representation, or certification in an application for or form pertaining to a permit or in a notice or report required by the terms and conditions of an issued permit, shall be guilty of a felony, and upon conviction thereof, shall be punished by a fine not to exceed twenty-five thousand dollars ($25,000) for each day of violation or by imprisonment for a term of not less than one (1) year and not more than five (5) years or by both fine and imprisonment for each separate violation. Each day upon which such violation occurs shall constitute a separate violation.

(7) Nothing contained in subsections (4) or (5) of this section shall abridge the right of any person to recover actual compensatory damages resulting from any such violation.

(8) Any person who violates any provision of this chapter to which no express penalty provision applies, except as provided in KRS 211.995, or who fails to perform any duties imposed by those sections, or who violates any determination or order of the cabinet promulgated pursuant thereto shall be liable for a civil penalty not to exceed the sum of one thousand dollars ($1,000) for said violation and an additional civil penalty not to exceed one thousand dollars ($1,000) for each day during which such violation continues, and in addition, may be concurrently enjoined from any such violations as hereinafter provided in this section and KRS 224.99-020.

(9) The Franklin Circuit Court shall hold concurrent jurisdiction and venue of all civil, criminal, and injunctive actions instituted by the cabinet or by the Attorney General on its behalf for the enforcement of the provisions of this chapter or the orders and administrative regulations of the cabinet promulgated pursuant thereto.

(10) Any person who deposits leaves, clippings, prunings, garden refuse, or household waste materials in any litter receptacle, except with permission of the owner of such receptacle, or who places litter into a receptacle in such a manner that the litter may be carried away or deposited by the elements upon any property or water not owned by him is guilty of a Class B misdemeanor.

(11) In addition to or in lieu of the penalties set forth in this section or in KRS Chapters 532 and 534, any person found guilty of a second or subsequent offense related to littering may be ordered by the court to pick up litter for not less than four (4) hours.

(12) Any person who violates a provision of this chapter relating to accreditation requirements for asbestos abatement professionals performing asbestos abatement activities in schools shall be liable to the Commonwealth of Kentucky for a civil penalty in an amount not to exceed twenty-five thousand dollars ($25,000) for each violation. Each day a violation continues shall, for purposes of this subsection, constitute a separate violation of provisions of this chapter relating to accreditation requirements for asbestos abatement professionals performing asbestos abatement activities in schools.

(13) A violation of KRS 224.50-413 shall be subject to a fifty dollar ($50) fine for each day the violation continues.

Section 5. The following KRS section is repealed:

224.01-400 Definitions — Regulations — Notification — Minimization — Emergency plan — Inventory of treated and untreated sites — Powers of cabinet — Lien of cabinet for costs of cleanup.

HB 647, AN ACT relating to environmental protection.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 224A.011 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Administrative fee" means a fee assessed and collected by the authority from borrowers under assistance agreements, to be used for operational expenses of the authority.

(2) "Applicable interest rate" means the rate of interest which shall be used as part of the repayment criteria for an assistance agreement between a governmental agency and the authority, and shall be determined by the authority pertinent to the source of funds from which the assistance agreement is funded.

(3) "Assistance agreement" means the agreement to be made and entered into by and between a governmental agency and the authority, as authorized by this chapter, providing for ***funding the programs established by Section 4(2)(d) and (e) of this Act and for*** a lease, loan, services, or grant to the governmental agency or for the purchase of obligations issued by the governmental agency, and for the repayment thereof to the authority by the governmental agency.

(4) "Authority" means the Kentucky Infrastructure Authority, which is created by this chapter.

(5) "Authority revenues" means the totality of all:

(a) Service charges;

(b) Water utility tax receipts, to the extent not otherwise committed and budgeted by the authority during any fiscal period of the authority;

(c) Any gifts, grants, or loans received, to the extent not otherwise required to be applied;

(d) Any and all appropriations made to the authority by the General Assembly of the Commonwealth of Kentucky, to the extent not otherwise required to be applied;

(e) All moneys received in repayment of and for interest on any loans made by the authority to a governmental agency, except as provided in KRS 224A.111 and 224A.112, or as principal of and interest on any obligations issued by a governmental agency and purchased by the authority, or as receipts under any assistance agreement; and

(f) The proceeds of bonds or long-term debt obligations of governmental agencies pledged to the payment of bond anticipation notes issued by the authority on behalf of the said governmental agency to provide interim construction financing.

(6) "Borrower or borrowing entity" means any agency of the state or its political subdivisions, any city, or any special district created under the laws of the state acting individually or jointly under interagency or interlocal cooperative agreements to enter into assistance agreements with the authority.

(7) "Community flood damage abatement project" means any structural or nonstructural study, plan, design, construction, development, improvement, or other activity to provide for flood control.

(8) "Construction" means and includes, but is not limited to:

(a) Preliminary planning to determine the economic and engineering feasibility of infrastructure projects, the engineering, architectural, legal, fiscal, and economic investigations, and studies necessary thereto, and surveys, designs, plans, working drawings, specifications, procedures, and other actions necessary to the construction of infrastructure projects;

(b) The erection, building, acquisition, alteration, remodeling, improvement, or extension of infrastructure projects; and

(c) The inspection and supervision of the construction of infrastructure projects and all costs incidental to the acquisition and financing of same. This term shall also relate to and mean any other physical devices or appurtenances in connection with, or reasonably attendant to, infrastructure projects.

(9) "Dams" means any artificial barrier, including appurtenant works, which does or can impound or divert water, and which either:

(a) Is or will be twenty-five (25) feet or more in height from the natural bed of the stream or watercourse at the downstream toe of the barrier, as determined by the natural resources cabinet; or

(b) Has or will have an impounding capacity at maximum water storage elevation of fifty (50) acre feet or more.

(10) "Distribution facilities" means all or any part of any facilities, devices, and systems used and useful in obtaining, pumping, storing, treating, and distributing water for agricultural, industrial, commercial, recreational, public, and domestic use.

(11) "Federal act" means the Federal Clean Water Act (33 U.S.C. Section 1251 et seq.) as said federal act may be amended from time to time in the future, or any other enactment of the United States Congress providing funds that may assist in carrying out the purposes of the authority.

(12) "Federally assisted wastewater revolving fund" means that fund which will receive federal and state funds or the proceeds from the sale of revenue bonds of the authority for the purpose of providing loans to finance construction of publicly owned treatment works as defined in Section 212 of the federal act and for the implementation of a management program established under Section 319 of the federal act and for the development and implementation of a conservation and management plan under Section 320 of the federal act.

(13) "Governmental agency" means ***the Petroleum Storage Tank Environmental Assurance Fund Commission and*** any incorporated city or municipal corporation, or other agency, or unit of government within or a department or a cabinet of the Commonwealth of Kentucky, now having or hereafter granted, the authority and power to finance, acquire, construct, or operate infrastructure projects. This definition shall specifically apply, but not by way of limitation, to incorporated cities; counties, including any counties containing a metropolitan sewer district; sanitation districts; water districts; water associations if these associations are permitted to issue interest-bearing obligations which interest would be excludable from gross income under Section 103 of the Internal Revenue Code of 1986 as amended; sewer construction districts; metropolitan sewer districts; sanitation taxing districts; and any other agencies, commissions, districts, or authorities (either acting alone, or in combination with one another pursuant to any regional or area compact, or multimunicipal agreement), now or hereafter established pursuant to the laws of the Commonwealth of Kentucky having and possessing the described powers described in this subsection.

(14) "Industrial waste" means any liquid, gaseous, or solid waste substances resulting from any process of industry, manufacture, trade, or business, or from the mining or taking, development, processing, or recovery of any natural resources, including heat and radioactivity, together with any sewage as is present therein, which pollutes the waters of the state, and specifically, but not by way of limitation, means heat or thermal differentials created in the waters of the state by any industrial processing, generating, or manufacturing processes.

(15) "Infrastructure project" means ***actions to be funded by KRS 224.60-130(2)(d) and (e) and*** any construction or acquisition of treatment works, distribution facilities, or water resources projects instituted by a governmental agency which is approved by the authority and, if required, by the natural resources cabinet, Public Service Commission, or other agency; solid waste management facilities; dams; storm water control and treatment systems; solid waste handling and disposal facilities; gas or electric utility; or any other public utility or public service project which the authority finds would enhance economic development opportunities in a governmental agency.

(16) "Infrastructure revolving fund" means that fund which will receive state funds, the proceeds from the sale of revenue bonds of the authority or other moneys earmarked for that fund for the purpose of providing loans or grants to finance construction or acquisition of infrastructure projects as defined in this section.

(17) "Interim financing agreement" means the agreement to be made and entered into by and between a governmental agency and the authority, as authorized by this chapter, providing for the use of the authority as an issuing agency in providing interim financing through the issuance of bond anticipation notes by the authority on behalf of a governmental agency in order to provide construction financing to said governmental agency pending the sale, issuance, and delivery of long-term debt obligations to effect assistance to said governmental agency.

(18) "Loan or grant" means moneys to be made available to governmental agencies by the authority for the purpose of defraying all or any part of the total costs incidental to construction or acquisition of any infrastructure project.

(19) "Market interest rate" means the interest rate available to governmental agencies from sources other than those defined by this chapter at the time the authority shall provide financial assistance to a governmental agency.

(20) "Natural resources cabinet" means the Kentucky Natural Resources and Environmental Protection Cabinet, or its successor, said term being meant to relate specifically to the state agency which is designated as the water pollution agency for the Commonwealth of Kentucky, for purposes of the federal act.

(21) "Obligation of a governmental agency" means a revenue bond issued by a governmental agency under KRS 58.010 et seq.

(22) "Person" means any individual, firm, partnership, association, corporation, or governmental agency.

(23) "Pollution" means the placing of any noxious or deleterious substances ("pollutants"), including sewage and industrial wastes, in any waters of the state or affecting the properties of any waters of the state in a manner which renders the waters harmful or inimical to the public health or to animal or aquatic life, or to the use, present or future, of these waters for domestic water supply, industrial, or agricultural purposes, or recreational purposes.

(24) "Prioritization schedules" means the list of wastewater treatment works, distribution facilities and water resources projects which the natural resources cabinet has evaluated and determined to be of priority for receiving financial assistance from the federally assisted wastewater revolving fund, or the list of infrastructure projects which the Department of Local Government has evaluated and determined to be of priority for receiving financial aid from the infrastructure revolving fund.

(25) "Project" or "solid waste project" means construction, renovation or acquisition of a solid waste facility which shall be publicly owned.

(26) "Recovered material" means those materials which have known current use, reuse, or recycling potential, which can be feasibly used, reused, or recycled, and which have been diverted or removed from the solid waste stream for sale, use, reuse, or recycling, whether or not requiring subsequent separation and processing but does not include materials diverted or removed for purposes of energy recovery or combustion except refuse-derived fuel (RDF), which shall be credited as a recovered material in an amount equal to that percentage of the municipal solid waste received on a daily basis at the processing facility and processed into RDF; but not to exceed fifteen percent (15%) of the total amount of the municipal solid waste received at the processing facility on a daily basis.

(27) "Recovered material processing facility" means a facility engaged solely in the storage, processing, and resale or reuse of recovered material but does not mean a solid waste facility if solid waste generated by a recovered material processing facility is managed pursuant to KRS Chapter 224 and administrative regulations adopted by the cabinet.

(28) "Revenue bonds" means special obligation bonds issued by the authority pursuant to the provisions of this chapter, which are not direct or general obligations of the state, and which are payable only from a pledge of, and lien upon, authority revenues as provided in the resolution authorizing the issuance of the bonds, and shall include revenue bond anticipation notes.

(29) "Service charge" means any monthly, quarterly, semiannual, or annual charge to be imposed by a governmental agency, or by the authority, for any infrastructure project financed by the authority, which service charge arises by reason of the existence of, and requirements of, any assistance agreement.

(30) "Sewage" means any of the waste products or excrements, or other discharges from the bodies of human beings or animals, which pollute the waters of the state.

(31) "Solid waste" means "solid waste" as defined by KRS 224.01-010(31)(a).

(32) "Solid waste management facility" means any facility for collection, storage, transportation, transfer, processing, treatment, or disposal of solid waste, whether the facility is associated with facilities generating the waste or otherwise, but does not include a container located on property where the waste is generated and which is used solely for the purpose of collection and temporary storage of that solid waste prior to off-site disposal, or a recovered material processing facility.

(33) "State" means the Commonwealth of Kentucky.

(34) "Treatment works" or "wastewater treatment works" means all or any part of any facilities, devices, and systems used and useful in the storage, treatment, recycling, and reclamation of wastewater, including facilities for the treatment, neutralization, disposal of, stabilization, collecting, segregating, or holding of wastewater, including without limiting the generality of the foregoing, intercepting sewers, outfall sewers, pumping power stations, and other equipment and their appurtenances; extensions, improvements, remodeling, additions, and alterations thereof, and any wastewater treatment works, including site acquisition of the land that will be an integral part of the wastewater treatment process, or is used for ultimate disposal of residues resulting from wastewater treatment, together with any other facilities which are deemed to be treatment works pursuant to the federal act.

(35) "Variable rate revenue bonds" means revenue bonds the rate of interest on which fluctuates either automatically by reference to a predetermined formula or index or pursuant to the standards set forth in KRS 224A.120.

(36) "Wastewater" means any water or liquid substance containing sewage, industrial waste, or other pollutants or contaminants derived from the prior use of these waters.

(37) "Water resources" means all waters of the state occurring on the surface, in natural or artificial channels, lakes, reservoirs, or impoundments, and in subsurface aquifers, which are available, or which may be made available to agricultural, industrial, commercial, recreational, public, and domestic users.

(38) "Water resources project" means any structural or nonstructural study, plan, design, construction, development, improvement, or any other activity including programs for management, intended to conserve and develop the water resources of the state and shall include all aspects of water supply, flood damage abatement, navigation, water-related recreation, and land conservation facilities and measures.

(39) "Waters of the state" means all streams, lakes, watercourses, waterways, ponds, marshes, wells, springs, irrigation systems, drainage systems, and all other bodies or accumulations of water, surface and underground, natural or artificial, which are situated wholly or partly within, or border upon, this state, or are within its jurisdiction, except those private waters which do not combine or effect a junction with natural, surface or underground waters.

(40) "Water utility tax" means the tax which may be imposed by the authority on every purchase of water service in the Commonwealth of Kentucky.

Section 2. KRS 224.60-120 is amended to read as follows:

(1) Each petroleum storage tank owner or operator shall establish and maintain evidence of financial responsibility, as provided for in this section, for taking corrective action and for compensating third parties for bodily injury and property damage.

(a) For petroleum storage tank owners or operators of six (6) or more tanks, the level of financial responsibility to be established and maintained shall be twenty-five thousand dollars ($25,000) per occurrence for taking corrective action and twenty-five thousand dollars ($25,000) per occurrence for compensating third parties for bodily injury and property damage ***or the amount of entry level to the fund set by administrative regulation of the commission, whichever is greater***.

(b) For petroleum storage tank owners or operators of five (5) or less tanks, the level of financial responsibility to be established and maintained shall be ten thousand dollars ($10,000) per occurrence for taking corrective action and ten thousand dollars ($10,000) per occurrence for compensating third parties for bodily injury and property damage ***or the amount of entry level to the fund set by administrative regulation of the commission, whichever is greater***.

(2) Evidence of financial responsibility may be established by any combination of the following:

(a) Commercial or private insurance, including risk retention groups;

(b) Qualification as a self-insurer;

(c) A guarantee, surety bond, or letter of credit; or

(d) Any other reasonable and economically practicable means in a form acceptable to the commission.

(3) To qualify as a self-insurer the petroleum storage tank owner or operator shall demonstrate a net worth [~~equal to or~~] in excess of the amounts specified in subsection (1) of this section. "Net worth" shall mean the monetary value of assets that remain after deducting liabilities. "Assets" shall mean all existing and all probable future economic benefits obtained or controlled by a particular entity as a result of past transactions.

(4) The total liability of any guarantor under KRS 224.60-105 to 224.60-160 is limited to the aggregate amount which the guarantor has provided as evidence of financial responsibility to the petroleum storage tank owner or operator pursuant to this section. This subsection does not limit any other state or federal statutory, contractual, or common law liability of a guarantor to a petroleum storage tank owner or operator, including, but not limited to, the liability of the guarantor for bad faith either in negotiating or in failing to negotiate the settlement of any claim. "Guarantor" shall mean any person, other than the petroleum storage tank owner or operator, who provides evidence of financial responsibility for a petroleum storage tank owner or operator pursuant to this section.

(5) It is the intent of the General Assembly that the fund established pursuant to KRS 224.60-140, combined with the financial responsibility required by this section, may be used by petroleum storage tank owners or operators to demonstrate their compliance with any financial responsibility requirements promulgated under federal regulations.

(6) The commission shall promulgate administrative regulations to implement this section. In promulgating administrative regulations, the commission shall not restrain or limit the use of any of the means of establishing financial responsibility specified in this section.

Section 3. KRS 224.60-125 is amended to read as follows:

(1) There is created a Petroleum Storage Tank Environmental Assurance Fund Commission which shall be composed of nine (9) members, appointed by the Governor, as follows:

(a) A representative of the Kentucky Petroleum Marketers Association;

(b) A representative of the Kentucky Gasoline Dealers Association;

(c) A representative of the Kentucky Petroleum Council;

(d) A representative of the Kentucky Chamber of Commerce;

(e) A representative of environmental interests;

(f) The Kentucky state fire marshal or a designated representative;

(g) The commissioner of the Department for Environmental Protection or a designated representative[~~, who shall serve as chairperson of the commission~~]; and

(h) Two (2) at-large members.

(2) The members shall serve four (4) year terms and until successors are appointed.

(3) ***The commission shall select one (1) of its members as chairman and another as vice chairman at its first regular meeting of the calendar year.***

(4) Members of the commission shall be reimbursed for expenses for attendance at meetings of the commission.

(5)[~~(4)~~] There shall be no liability on the part of, and no cause of action of any nature shall arise against the commission, or their agents or employees for any action taken in the performance of their powers and duties under KRS 224.60-105 to 224.60-160.

Section 4. KRS 224.60-130 is amended to read as follows:

(1) The commission shall be created within sixty (60) days from April 9, 1990.

(2) The commission shall:

(a) Establish by administrative regulation the policy, guidelines, and procedures to administer the petroleum storage tank environmental assurance fund. ***In adopting administrative regulations to carry out this section, the commission may distinguish between types, classes, and ages of petroleum storage tanks. The commission may limit the amounts to be paid from the fund.*** At a minimum, the commission shall promulgate administrative regulations that will insure an unobligated balance in the fund adequate to meet financial assurance requirements and corrective action requirements of KRS 224.60-135(2) and (4). If the unobligated balance in the fund is not adequate to meet the requirements of this paragraph, the commission shall obligate funds necessary to meet these requirements;

(b) Establish ***by administrative regulation the*** criteria to be met [~~by a petroleum storage tank owner or operator~~] to be eligible to participate in the fund and receive reimbursement from the fund. ***In promulgating administrative regulations to carry out this section, the commission may distinguish between types, classes, and ages of petroleum storage tanks and the degree of compliance of the facility with the administrative regulations of the cabinet promulgated pursuant to KRS 224.60-105*** [~~At a minimum, the qualifications shall include a reasonable assurance that the petroleum storage tank owner or operator substantially complied with all applicable federal and state laws and regulations in effect at the time of any release~~];

(c) ***Establish a financial responsibility account within the fund which may be used by petroleum storage tank owners and operators to demonstrate financial responsibility as required by administrative regulations of the cabinet or the federal government for petroleum storage tanks, consistent with the intent of the General Assembly as set forth in KRS 224.60-120(5). To be eligible to use this account to demonstrate compliance with financial responsibility requirements of the cabinet or federal regulations, or to receive reimbursement from this account for taking corrective action and for compensating third parties for bodily injury and property damage, the petroleum storage tank owner or operator shall demonstrate substantial compliance with all applicable federal and state laws in effect at the time of any release;***

(d) Establish a petroleum storage tank amnesty account to be funded by the proceeds of revenue bonds issued pursuant to an assistant agreement with the Kentucky Infrastructure Authority to be used to pay the costs of corrective action due to a release from petroleum storage tanks. This account shall not be used to compensate third parties for bodily injury and property damage;

(e) Establish a small operator loan assistance account to be funded by the proceeds of revenue bonds issued pursuant to an assistant agreement with the Kentucky Infrastructure Authority. This account may be used by the commission to make, or participate in the making of, loans; to purchase or participate in the purchase of loans from eligible lenders; or to insure loans made by eligible lenders;

(f) Hear complaints brought before the commission regarding the payment of claims from the fund;

(g)[~~(d)~~] Establish and maintain necessary offices within this state, appoint employees and agents as necessary and prescribe their duties and compensation;

(h)[~~(e)~~] Employ, in accordance with the procedures found in KRS 45A.690 to 45A.725 for awarding personal service contracts, a qualified actuary to perform an actuarial study, no less than every two (2) years, that recommends to the commission an actuarially sound entry level to the fund prior to two (2) years from April 9, 1990. The commission, shall by administrative regulation, set the entry level based upon the actuarial recommendation;

(i)[~~(f)~~] Authorize expenditures from the fund to carry out the purpose of KRS 224.60-105 to 224.60-160 including reasonable costs of administering the fund and the procurement of legal services; [~~and~~]

(j) Conduct a study to determine the amount of revenue bonds to be issued to fund the petroleum storage tank amnesty account and the small operator loan assistance account; and

(k)[~~(g)~~] Be attached to the Natural Resources and Environmental Protection Cabinet for administrative purposes.

(3) The commission shall hold at least four (4) regular meetings each calendar year at a place and time to be fixed by the commission. The commission shall also meet at the request of the chairman of the commission or upon a written request of three (3) members of the commission. Five (5) members constitute a quorum, and a quorum may act for the commission in all matters.

(4) The commission may advise the cabinet on the promulgation of administrative regulations concerning petroleum storage tanks.

(5) The commission may sue and be sued in its own name.

Section 5. KRS 224.60-140 is amended to read as follows:

(1) There is hereby created the petroleum storage tank environmental assurance fund. The fund shall be maintained as a separate and distinct interest-bearing account. All of the following amounts shall be deposited in the fund:

(a) [~~All fees collected pursuant to KRS 224.60-150;~~

~~(b)~~] Any interest earned upon money deposited in the fund;

(b)[~~(c)~~] Money appropriated by the General Assembly for deposit in the fund;

(c)[~~(d)~~] Any money recovered by the fund pursuant to this section; [~~and~~]

(d)[~~(e)~~] Any money collected in the form of penalties levied pursuant to KRS 224.60-155***; and***

(e) The proceeds from revenue bonds issued pursuant to an assistance agreement with the Kentucky Infrastructure Authority.

(2) Money in the fund may be used by the commission for the following purposes:

(a) To reimburse petroleum storage tank owners or operators for the costs, expenses, and other obligations incurred for corrective action as the result of a release into the environment from a petroleum storage tank;

(b) For payment of or reimbursement for any third-party claims of any nature including without limitation, claims for bodily injury and property damage and damage to natural resources which are asserted against a petroleum storage tank owner or operator as a result of a release into the environment from a petroleum storage tank; [~~and~~]

(c) To pay the reasonable costs incurred by the commission in administering the fund***;***

(d) To pay the principal of and interest on revenue bonds issued pursuant to an assistance agreement entered into with the Kentucky Infrastructure Authority; and

(e) Payment to the cabinet of the costs of implementing the tank registration required by Section 4 of this Act.

(3) The use of the fund for corrective action and compensating third parties for bodily injury and property damage shall not exceed one million dollars ($1,000,000) per occurrence.

(4) Money in the fund may be used by the cabinet for costs incurred by the cabinet for corrective action taken pursuant to KRS 224.60-135(2) and (4).

(5) The fund shall be used to guarantee payment of reasonable costs and expenses to a contractor performing corrective action under contract with a petroleum storage tank owner or operator subject to ***entry level*** [~~deductible~~] amounts payable by the petroleum storage tank owner or operator. Money in the fund shall be obligated to secure the guarantee.

(6) A petroleum storage tank owner or operator may apply to the commission for reimbursement from the fund of costs to perform corrective action, except that the petroleum storage tank owner or operator shall be responsible for and shall not be reimbursed for an amount equal to the entry level into the fund as set pursuant to KRS 224.60-120(1) ***or by administrative regulation of the commission.***

(7) The commission or its designated agent shall issue all decisions made on claims filed pursuant to this section in writing, with notification to all appropriate parties, within ninety (90) days after submission of the claim, unless all parties to the claim agree in writing to an extension of time.

(8) Except as provided in subsection (9) any costs incurred and payable from the fund for corrective action taken pursuant to KRS 224.60-135(2) shall be recovered by the commission from the petroleum storage tank owner or operator which released the petroleum or petroleum products into the environment.

(9) The liability of a petroleum storage tank owner or operator subject to a cost recovery under this section shall not exceed an amount equal to the entry level into the fund, the commission's cost incurred in the cost recovery, and any penalties applied in accordance with KRS 224.60-155. This amount shall include any expenditures made by the petroleum storage tank owner or operator for the release into the environment from the petroleum storage tank that is the subject of the cost of recovery.

(10) The amount of costs determined pursuant to subsection (8) of this section shall be recoverable in a civil action. This subsection does not deprive a party of any defense the party may have.

(11) Money recovered by the commission pursuant to this section shall be deposited in the fund.

(12) Upon motion and sufficient showing by any party, the court shall join to the action any person who may be liable for costs or expenditures recoverable pursuant to this section.

(13)(a) Any party found liable for any costs or expenditures recoverable under this section who establishes that only a portion of those costs or expenditures are attributable to their actions, shall pay only for that portion.

(b) If the trier of fact finds the evidence insufficient to establish each party's portion of costs or expenditures pursuant to subsection (12) of this section, the court shall apportion those costs or expenditures, to the extent practicable according to equitable principles among the defendants.

(c) The fund shall pay any portion of the judgment in excess of the aggregate amount of costs or expenditures apportioned under paragraphs (a) and (b) of this subsection.

(14)(a) No indemnification, hold harmless, conveyance, or similar agreement shall be effective to transfer any liability for costs recoverable under this section. This subsection shall not bar any agreement to insure, hold harmless, or indemnify a party to the agreement for any costs under KRS 224.60-105 to 224.60-160.

(b) The entry of judgment against any party to the action shall not bar any future action by the fund against any other person who is later discovered to be potentially liable for costs paid from the fund.

(c) Payment of any claim by the fund pursuant KRS 224.60-105 to 224.60-160 shall be subject to the state acquiring by subrogation the rights of the claimant to recover those costs of corrective action for which it has compensated the claimant from the person responsible or liable for the release.

(15) This section shall not be construed as authorizing recovery for costs of corrective action resulting from any release authorized or permitted pursuant to state or federal law.

(16) The cabinet shall attempt, to the maximum extent practicable, to secure or obtain funds that may be available for corrective actions under federal laws. However, nothing in this subsection shall prevent the cabinet from expending any funds available under KRS 224.60-105 to 224.60-160 if such federal funds are determined to be unavailable.

SECTION 6. A NEW SECTION OF SUBCHAPTER 60 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

To be eligible to participate in the fund, the owner of any petroleum storage tank currently existing, or removed from the ground after January 1, 1974, shall register the petroleum storage tank with the cabinet within two (2) years of July 15, 1992. Owners of tanks currently registered with the cabinet shall update the registration within two (2) years of July 15, 1992.

Section 7. KRS 224.60-145 is amended to read as follows:

(1) Except as provided in subsection (2) of this section, there is established a petroleum environmental assurance fee to be paid by dealers on each gallon of gasoline and special fuels received in this state.

(2) All deductions detailed in KRS 138.240(2), gasoline and special fuels sold for agricultural purposes, and special fuels sold exclusively to heat a personal residence are exempt from the fee. If a dealer has on file, pursuant to KRS Chapter 138, a statement supporting a claimed exemption, an additional statement shall not be required for claiming exemption from the fee.

(3) The fee shall be reported and paid to the Revenue Cabinet at the same time and in the same manner as is required for the reporting and payment of the gasoline and special fuels taxes as provided by law.

(4) The petroleum environmental assurance fee shall be set at a rate of four-tenths of one cent ($0.004) for each gallon. ***Two-tenths of one cent ($0.002) for each gallon shall be used by the commission to establish an unobligated balance in the financial responsibility account of no more than ten million dollars ($10,000,000). Two-tenths of one cent ($0.002) for each gallon shall be dedicated by the commission to be used to pay the principal and interest on revenue bonds issued pursuant to an assistance agreement with the Kentucky Infrastructure Authority. The petroleum environmental assurance fee shall be maintained at a rate of four-tenths of one cent ($0.004)*** until the unobligated balance of the fund reaches ten million dollars ($10,000,000). ***It*** [~~and~~] shall drop at the beginning of the next calendar quarter to a rate that the commission determines is necessary to maintain a ten million dollar ($10,000,000) balance ***and to pay the principal and interest on revenue bonds issued pursuant to an assistance agreement with the Kentucky Infrastructure Authority***. The rate shall be increased at the beginning of the next calendar quarter after the unobligated fund balance drops to six million dollars ($6,000,000) or less and remain at the higher amount not to exceed four-tenths of one cent ($0.004) until the unobligated fund balance reaches ten million dollars ($10,000,000).

(5) The commission shall review the unobligated fund balance at least quarterly and report to the Revenue Cabinet the rate of the fee to be applied for the next quarter. The notice shall be given by the commission to the secretary of the Revenue Cabinet not later than the first day of the month immediately preceding the quarterly period to which the rate applies.

(6) All provisions of law related to the Revenue Cabinet's administration and enforcement of the gasoline and special fuels tax and all other powers generally conveyed to the Revenue Cabinet by the Kentucky Revised Statutes for the assessment and collection of taxes shall apply with regard to the fee levied by KRS 224.60-105 to 224.60-160.

(7) The Revenue Cabinet shall refund the fee imposed by KRS 224.60-145(1) to any person who paid the fee provided they are entitled to a refund of motor fuel tax under KRS 138.344 to KRS 138.355 and to any person who paid the fee on transactions exempted under KRS 224.60-145(2).

Section 8. KRS 224.60-150 is amended to read as follows:

The cabinet shall levy and collect annual fees in the amount of thirty dollars ($30) per tank from the owners or operators of underground storage tanks containing regulated substances for the purpose of funding the administration of the underground storage tank program. ***The fees shall be deposited into an interest-bearing account in the State Treasury. Money unexpended at the close of a fiscal year shall not lapse, but shall be carried forward to the next fiscal year or biennium for future use.***

SECTION 9. A NEW SECTION OF KRS CHAPTER 224A IS CREATED TO READ AS FOLLOWS:

(1) The authority shall enter into assistance agreements with the Petroleum Storage Tank Environmental Assurance Fund Commission for the purpose of funding the amnesty program for corrective action of releases from petroleum storage tanks and the small operator loan assistance program which are established by Section 4(2)(d) and (e) of this Act.

(2) Pursuant to an assistant agreement, the authority shall issue revenue bonds in an amount determined by the study conducted by the commission as required by Section 4(2)(j) of this Act and authorized by the executive branch budget. The proceeds shall be deposited into the petroleum storage tank environmental assurance fund and be administered by the commission.

The Committee Substitute to **HB 647** is as follows:

HB 647, AN ACT relating to environmental protection.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 224.60-115 is amended to read as follows:

(1) "Bodily injury and property damage" means only those actual economic losses to an individual or the individual's property resulting from bodily injuries and damages to property caused by a release into the environment from a petroleum storage tank;

(2) "Cabinet" means the Natural Resources and Environmental Protection Cabinet;

(3) "Claim" means any demand in writing for a certain sum;

(4) "Commission" means the Petroleum Storage Tank Environmental Assurance Fund Commission;

(5) "Corrective action" means those actions necessary to protect human health and the environment in the event of a release from a petroleum storage tank. Corrective action includes initial responses taken pursuant to KRS 224.60-135, remedial actions to clean up contaminated groundwater, surface waters, or soil, actions to address residual effects after initial corrective action is taken, and actions taken to restore or replace potable water supplies. Corrective action also includes actions necessary to monitor, assess, and evaluate a release, as well as actions necessary to monitor, assess, and evaluate the effectiveness of remedial action after a release has occurred;

(6) "Dealer" means a person required to be licensed as a gasoline or special fuels dealer as defined in KRS 138.210(2);

(7) "Facility" means, with respect to any owner or operator, all petroleum storage tanks which are owned or operated by an owner or operator and are located on a single parcel of property or on any contiguous or adjacent property;

(8) "Federal regulations" means regulations for underground petroleum storage tanks promulgated by the United States Environmental Protection Agency pursuant to Subtitle I of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act;

(9) "Free product" means a regulated substance that is present as a non-aqueous phase liquid;

(10) "Fund" means the petroleum storage tank environmental assurance fund established pursuant to KRS 224.60-140;

(11) "Gasoline" means gasoline as defined in KRS 138.210(4);

(12) "Occurrence" means an accident, including continuous or repeated exposure to conditions, which result in a release into the environment from a petroleum storage tank;

(13) "Person" means an individual, trust, firm, joint stock company, corporation, the state, a municipality, commission, or political subdivision of the state. The term includes a consortium, a joint venture, or a commercial entity;

(14) "Petroleum" and "petroleum products" means crude oil, or any fraction thereof, which is liquid at standard conditions of temperature and pressure, which means at sixty (60) degrees Fahrenheit and 14.7 pounds per square inch absolute. The term includes motor gasoline, gasohol, other alcohol-blended fuels, diesel fuel, heating oil, special fuels, lubricants, and used oil;

(15) "Petroleum storage tank" means an underground storage tank, as defined by KRS 224.60-100, which contains petroleum or petroleum products but, ***for the purpose of participation or eligibility for the fund,*** shall not include petroleum storage tanks used exclusively for storage of fuel used in the operation of a commercial ship or vessel or tanks used exclusively for storage of fuel used for the purposes of powering locomotives;

(16) "Petroleum storage tank operator" means any person in control of, or having responsibility for, the daily operation of a petroleum storage tank;

(17) "Petroleum storage tank owner" means the person who owns a petroleum storage tank, except that petroleum storage tank owner does not include any person who, without participation in the management of a petroleum storage tank, holds indicia of ownership primarily to protect a security interest in the tank;

(18) "Received" means the same as defined in KRS 138.210(5);

(19) "Release" means any spilling, leaking, emitting, discharging, escaping, leaching or disposing from a petroleum storage tank into groundwater, surface water, or surface or subsurface soils. The term shall not include releases that are permitted or authorized by the state or federal law; and

(20) "Special fuels" means special fuels as defined in KRS 138.210(4).

Section 2. KRS 224.60-120 is amended to read as follows:

(1) Each petroleum storage tank owner or operator shall establish and maintain evidence of financial responsibility, as provided for in this section, for taking corrective action and for compensating third parties for bodily injury and property damage.

(a) For petroleum storage tank owners or operators of six (6) or more tanks, the level of financial responsibility to be established and maintained shall be twenty-five thousand dollars ($25,000) per occurrence for taking corrective action and twenty-five thousand dollars ($25,000) per occurrence for compensating third parties for bodily injury and property damage ***or the amount of entry level to the fund set by administrative regulation of the commission.***

(b) For petroleum storage tank owners or operators of five (5) or less tanks, the level of financial responsibility to be established and maintained shall be ten thousand dollars ($10,000) per occurrence for taking corrective action and ten thousand dollars ($10,000) per occurrence for compensating third parties for bodily injury and property damage ***or the amount of entry level to the fund set by administrative regulation of the commission.***

(2) Evidence of financial responsibility may be established by any combination of the following:

(a) Commercial or private insurance, including risk retention groups;

(b) Qualification as a self-insurer;

(c) A guarantee, surety bond, or letter of credit; or

(d) Any other reasonable and economically practicable means in a form acceptable to the commission.

(3) To qualify as a self-insurer the petroleum storage tank owner or operator shall demonstrate a net worth [~~equal to or~~] in excess of the amounts specified in subsection (1) of this section. "Net worth" shall mean the monetary value of assets that remain after deducting liabilities. "Assets" shall mean all existing and all probable future economic benefits obtained or controlled by a particular entity as a result of past transactions.

(4) The total liability of any guarantor under KRS 224.60-105 to 224.60-160 is limited to the aggregate amount which the guarantor has provided as evidence of financial responsibility to the petroleum storage tank owner or operator pursuant to this section. This subsection does not limit any other state or federal statutory, contractual, or common law liability of a guarantor to a petroleum storage tank owner or operator, including, but not limited to, the liability of the guarantor for bad faith either in negotiating or in failing to negotiate the settlement of any claim. "Guarantor" shall mean any person, other than the petroleum storage tank owner or operator, who provides evidence of financial responsibility for a petroleum storage tank owner or operator pursuant to this section.

(5) It is the intent of the General Assembly that the fund established pursuant to KRS 224.60-140, combined with the financial responsibility required by this section, may be used by petroleum storage tank owners or operators to demonstrate their compliance with any financial responsibility requirements promulgated under federal regulations.

(6) The commission shall promulgate administrative regulations to implement this section. In promulgating administrative regulations, the commission shall not restrain or limit the use of any of the means of establishing financial responsibility specified in this section.

Section 3. KRS 224.60-130 is amended to read as follows:

(1) The commission shall be created within sixty (60) days from April 9, 1990.

(2) The commission shall:

(a) Establish by administrative regulation the policy, guidelines, and procedures to administer the petroleum storage tank environmental assurance fund. ***In adopting administrative regulations to carry out this section, the commission may distinguish between types, classes, and ages of petroleum storage tanks. The commission shall establish a range of amounts to be paid from the fund and shall establish criteria to be met by persons who contract to perform corrective action to be eligible for reimbursement from the fund. Persons who contract with petroleum storage tank owners or operators shall not be paid more than the amount authorized by the commission for reimbursement from the fund for the performance of corrective action.*** At a minimum, the commission shall promulgate administrative regulations that will insure an unobligated balance in the fund adequate to meet financial assurance requirements and corrective action requirements of KRS 224.60-135(2) and (4). If the unobligated balance in the fund is not adequate to meet the requirements of this paragraph, the commission shall obligate funds necessary to meet these requirements;

(b) Establish ***by administrative regulation the*** criteria to be met [~~by a petroleum storage tank owner or operator~~] to be eligible to participate in the fund and receive reimbursement from the fund. ***The commission may establish eligibility criteria based upon the financial ability of the petroleum storage tank owner or operator. In promulgating administrative regulations to carry out this section, the commission may distinguish between types, classes, and ages of petroleum storage tanks and the degree of compliance of the facility with any administrative regulations of the cabinet promulgated pursuant to KRS 224.60-105 or applicable federal regulations*** [~~At a minimum, the qualifications shall include a reasonable assurance that the petroleum storage tank owner or operator substantially complied with all applicable federal and state laws and regulations in effect at the time of any release~~];

(c) ***Establish a financial responsibility account within the fund which may be used by petroleum storage tank owners and operators to demonstrate financial responsibility as required by administrative regulations of the cabinet or the federal government for petroleum storage tanks, consistent with the intent of the General Assembly as set forth in KRS 224.60-120(5). The amount to be maintained in this account shall be established by the commission. To be eligible to use this account to demonstrate compliance with financial responsibility requirements of the cabinet or federal regulations, or to receive reimbursement from this account for taking corrective action and for compensating third parties for bodily injury and property damage, the petroleum storage tank owner or operator shall meet the eligibility requirements established by administrative regulation promulgated by the commission;***

(d) Establish a small operator assistance account within the fund which may be used by the commission to make or participate in the making of loans, to purchase or participate in the purchase of the loans, which purchase may be from eligible lenders, or to insure loans made by eligible lenders;

(e) Establish a petroleum storage tank account within the fund to be used to pay the costs of corrective action due to a release from a petroleum storage tank not eligible for reimbursement from the financial responsibility account. This account shall not be used to compensate third parties for bodily injury and property damage. The commission shall establish a ranking system to be used for the distribution of amounts from this account for the purpose of corrective action. In promulgating administrative regulations to carry out this section, the commission shall consider the financial ability of the petroleum storage tank owner or operator to perform corrective action and the extent of damage caused by a release into the environment from a petroleum storage tank;

(f) Hear complaints brought before the commission regarding the payment of claims from the fund;

(g)[~~(d)~~] Establish and maintain necessary offices within this state, appoint employees and agents as necessary and prescribe their duties and compensation;

(h)[~~(e)~~] Employ, in accordance with the procedures found in KRS 45A.690 to 45A.725 for awarding personal service contracts, a qualified actuary to perform an actuarial study, no less than every two (2) years, that recommends to the commission an actuarially sound entry level to the fund prior to two (2) years from April 9, 1990. The commission, shall by administrative regulation, set the entry level ***for participation in the fund*** [~~based upon the actuarial recommendation~~];

(i)[~~(f)~~] Authorize expenditures from the fund to carry out the purpose of KRS 224.60-105 to 224.60-160 including reasonable costs of administering the fund and the procurement of legal services; and

(j)[~~(g)~~] Be attached to the Natural Resources and Environmental Protection Cabinet for administrative purposes.

(3) The commission shall hold at least four (4) regular meetings each calendar year at a place and time to be fixed by the commission. The commission shall also meet at the request of the chairman of the commission or upon a written request of three (3) members of the commission. Five (5) members constitute a quorum, and a quorum may act for the commission in all matters.

(4) The commission may advise the cabinet on the promulgation of administrative regulations concerning petroleum storage tanks.

(5) The commission may sue and be sued in its own name.

Section 4. KRS 224.60-140 is amended to read as follows:

(1) There is hereby created the petroleum storage tank environmental assurance fund. The fund shall be maintained as a separate and distinct interest-bearing account. All of the following amounts shall be deposited in the fund:

(a) [~~All fees collected pursuant to KRS 224.60-150;~~

~~(b)~~] Any interest earned upon money deposited in the fund;

(b)[~~(c)~~] Money appropriated by the General Assembly for deposit in the fund;

(c)[~~(d)~~] Any money recovered by the fund pursuant to this section; and

(d)[~~(e)~~] Any money collected in the form of penalties levied pursuant to KRS 224.60-155.

(2) Money in the fund may be used by the commission for the following purposes:

(a) To reimburse petroleum storage tank owners or operators for the costs, expenses, and other obligations incurred for corrective action as the result of a release into the environment from a petroleum storage tank;

(b) For payment of or reimbursement for any third-party claims of any nature including [~~without limitation,~~] claims for bodily injury and property damage and damage to natural resources which are asserted against a petroleum storage tank owner or operator as a result of a release into the environment from a petroleum storage tank; [~~and~~]

(c) To pay the reasonable costs incurred by the commission in administering the fund***; and***

(d) Payment to the cabinet of the costs of implementing the tank registration required by Section 5 of this Act.

(3) The use of the fund for corrective action and compensating third parties for bodily injury and property damage shall not exceed one million dollars ($1,000,000) per occurrence.

(4) Money in the fund may be used by the cabinet for costs incurred by the cabinet for corrective action taken pursuant to KRS 224.60-135(2) and (4).

(5) The fund shall be used to guarantee payment of reasonable costs and expenses to a contractor performing corrective action under contract with a petroleum storage tank owner or operator subject to ***entry level*** [~~deductible~~] amounts payable by the petroleum storage tank owner or operator. Money in the fund shall be obligated to secure the guarantee.

(6) A petroleum storage tank owner or operator may apply to the commission for reimbursement from the fund of costs to perform corrective action, except that the petroleum storage tank owner or operator shall be responsible for and shall not be reimbursed for an amount equal to the entry level into the fund as set pursuant to ***administrative regulation of the commission*** [~~KRS 224.60-120(1)~~].

(7) The commission or its designated agent shall issue all decisions made on claims filed pursuant to this section in writing, with notification to all appropriate parties, within ninety (90) days after submission of the claim, unless all parties to the claim agree in writing to an extension of time.

(8) Except as provided in subsection (9) any costs incurred and payable from the fund for corrective action taken pursuant to KRS 224.60-135(2) shall be recovered by the commission from the petroleum storage tank owner or operator which released the petroleum or petroleum products into the environment.

(9) The liability of a petroleum storage tank owner or operator subject to a cost recovery under this section shall not exceed an amount equal to the entry level into the fund, the commission's cost incurred in the cost recovery, and any penalties applied in accordance with KRS 224.60-155. This amount shall include any expenditures made by the petroleum storage tank owner or operator for the release into the environment from the petroleum storage tank that is the subject of the cost of recovery.

(10) The amount of costs determined pursuant to subsection (8) of this section shall be recoverable in a civil action. This subsection does not deprive a party of any defense the party may have.

(11) Money recovered by the commission pursuant to this section shall be deposited in the fund.

(12) Upon motion and sufficient showing by any party, the court shall join to the action any person who may be liable for costs or expenditures recoverable pursuant to this section.

(13)(a) Any party found liable for any costs or expenditures recoverable under this section who establishes that only a portion of those costs or expenditures are attributable to their actions, shall pay only for that portion.

(b) If the trier of fact finds the evidence insufficient to establish each party's portion of costs or expenditures pursuant to subsection (12) of this section, the court shall apportion those costs or expenditures, to the extent practicable according to equitable principles among the defendants.

(c) The fund shall pay any portion of the judgment in excess of the aggregate amount of costs or expenditures apportioned under paragraphs (a) and (b) of this subsection.

(14)(a) No indemnification, hold harmless, conveyance, or similar agreement shall be effective to transfer any liability for costs recoverable under this section. This subsection shall not bar any agreement to insure, hold harmless, or indemnify a party to the agreement for any costs under KRS 224.60-105 to 224.60-160.

(b) The entry of judgment against any party to the action shall not bar any future action by the fund against any other person who is later discovered to be potentially liable for costs paid from the fund.

(c) Payment of any claim by the fund pursuant KRS 224.60-105 to 224.60-160 shall be subject to the state acquiring by subrogation the rights of the claimant to recover those costs of corrective action for which it has compensated the claimant from the person responsible or liable for the release.

(15) This section shall not be construed as authorizing recovery for costs of corrective action resulting from any release authorized or permitted pursuant to state or federal law.

(16) The cabinet shall attempt, to the maximum extent practicable, to secure or obtain funds that may be available for corrective actions under federal laws. However, nothing in this subsection shall prevent the cabinet from expending any funds available under KRS 224.60-105 to 224.60-160 if such federal funds are determined to be unavailable.

(17) The fund shall not be used for corrective action, reimbursement, or third party liability resulting from releases from petroleum storage tanks used exclusively for storage of fuel used in the operation of a commercial ship or vessel oil tanks used exclusively for storage of fuel used for the purposes of powering locomotives.

SECTION 5. A NEW SECTION OF SUBCHAPTER 60 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

To be eligible to participate in the fund, the owner of any petroleum storage tank currently existing, or removed from the ground after January 1, 1974, shall register the petroleum storage tank with the cabinet prior to applying to the fund, and shall register the petroleum storage tank within one (1) year from July 15, 1992. Owners of tanks currently registered with the cabinet shall update the registration within one (1) year of July 15, 1992.

Section 6. KRS 224.60-145 is amended to read as follows:

(1) Except as provided in subsection (2) of this section, there is established a petroleum environmental assurance fee to be paid by dealers on each gallon of gasoline and special fuels received in this state.

(2) All deductions detailed in KRS 138.240(2), gasoline and special fuels sold for agricultural purposes, and special fuels sold exclusively to heat a personal residence are exempt from the fee. If a dealer has on file, pursuant to KRS Chapter 138, a statement supporting a claimed exemption, an additional statement shall not be required for claiming exemption from the fee.

(3) The fee shall be reported and paid to the Revenue Cabinet at the same time and in the same manner as is required for the reporting and payment of the gasoline and special fuels taxes as provided by law.

(4) The petroleum environmental assurance fee shall be set at a rate of four-tenths of one cent ($0.004) for each gallon [~~until the unobligated balance of the fund reaches ten million dollars ($10,000,000) and shall drop at the beginning of the next calendar quarter to a rate that the commission determines is necessary to maintain a ten million dollar ($10,000,000) balance. The rate shall be increased at the beginning of the next calendar quarter after the unobligated fund balance drops to six million dollars ($6,000,000) or less and remain at the higher amount not to exceed four-tenths of one cent ($0.004) until the unobligated fund balance reaches ten million dollars ($10,000,000).~~

[~~(5)~~ ~~The commission shall review the unobligated fund balance at least quarterly and report to the Revenue Cabinet the rate of the fee to be applied for the next quarter. The notice shall be given by the commission to the secretary of the Revenue Cabinet not later than the first day of the month immediately preceding the quarterly period to which the rate applies~~].

(5)[~~(6)~~] All provisions of law related to the Revenue Cabinet's administration and enforcement of the gasoline and special fuels tax and all other powers generally conveyed to the Revenue Cabinet by the Kentucky Revised Statutes for the assessment and collection of taxes shall apply with regard to the fee levied by KRS 224.60-105 to 224.60-160.

(6)[~~(7)~~] The Revenue Cabinet shall refund the fee imposed by KRS 224.60-145(1) to any person who paid the fee provided they are entitled to a refund of motor fuel tax under KRS 138.344 to KRS 138.355 and to any person who paid the fee on transactions exempted under KRS 224.60-145(2).

Section 7. KRS 224.60-150 is amended to read as follows:

(1) The cabinet shall levy and collect annual fees in the amount of thirty dollars ($30) per tank from the owners or operators of underground storage tanks containing regulated substances for the purpose of funding the administration of the underground storage tank program. ***The fees shall be deposited into an interest-bearing account in the State Treasury. Money unexpended at the close of a fiscal year shall not lapse, but shall be carried forward to the next fiscal year or biennium for future use.***

(2) The cabinet shall recover actual and necessary expenditures incurred in the administration of the underground storage tank program including expenditures for corrective action. Any expenditures recovered shall be placed in the account established by this section.

The Committee on State Government reported **HB 387**, with Committee Amendment attached thereto, **HB 470**, with Committee Substitute attached thereto, **HB 512**, with Committee Amendment attached thereto, **HB 524**, with Committee Substitute and Title Amendment attached thereto, **HB 562**, **HB 652**, with Committee Amendment attached thereto, **HB 684**, with Committee Amendment attached thereto, **HB 685**, with Committee Amendment attached thereto, and **HB 727**, with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 387, AN ACT relating to state boards and committees.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 205.540 is amended to read as follows:

(1) An Advisory Council for Medical Assistance shall be established in the state government. The council shall consist of ***eighteen (18)*** [~~seventeen (17)~~] members. The secretary for human resources shall be an ex officio member. The other ***seventeen (17)*** [~~sixteen (16)~~] members of the council shall be appointed by the Governor and shall hold office for a term of four (4) years and until their successors are appointed and qualify, except that the members appointed to fill the first vacancy occurring for a term beginning on July 1, 1960, shall be as follows: Two (2) members shall be appointed for one (1) year, two (2) for two (2) years, two (2) for three (3) years, and three (3) for four (4) years, and the respective terms of the first members shall be designated by the Governor at the time of their appointments. Upon the expiration of the respective terms of the members first appointed, the term of each successor shall be for four (4) years and until his successor is appointed and qualified. ***Ten (10)*** [~~Nine (9)~~] of the appointments shall be made one (1) from each list of three (3) nominees submitted by the following organizations: the Kentucky State Medical Association; the Kentucky Dental Association; the Kentucky Hospital Association; the Kentucky Pharmacists Association; the Kentucky Association of Health Care Facilities; the Kentucky Nurses' Association; the State Board of Podiatry; the Kentucky Home Health Association; [~~and~~] the Kentucky Optometric Association***; and the Kentucky Association of Nonprofit Homes and Services for the Aging, Inc.*** The other seven (7) appointive members shall be health care advocates knowledgeable about health care and the health care industry, and shall include three (3) medical assistance recipients, one (1) representative of a recognized consumer advocacy group representing the elderly; and three (3) representatives of recognized consumer advocacy groups whose membership includes low income persons, children and youth, women, minorities and disabled persons.

(2) Each appointive member of the council shall serve without compensation but each council member not otherwise compensated for his time or expenses shall be entitled to reimbursement for his actual and necessary expenses in carrying out his duties with reimbursement for expenses being made in accordance with state regulations relating to travel reimbursement.

(3) Vacancies shall be filled for the unexpired term in the same manner as original appointments, maintaining representations as set out in subsection (1) of this section.

(4) The council shall elect a chairman, vice-chairman, and secretary from among its members at its first regular meeting in each fiscal year and shall adopt rules governing its proceedings. The council shall hold a meeting at least once every three (3) months and such other special or regular meetings as may be desired.

(5) No consumer member of the council shall have a fiduciary relationship or interest in any health care facility or service.

Section 2. KRS 205.590 is amended to read as follows:

(1) The following technical advisory committees shall be established for the purpose of acting in an advisory capacity to the council with respect to the administration of the medical assistance program and in performing the function of peer review:

(a) A Technical Advisory Committee on Physician Services consisting of five (5) physicians appointed by the council of the Kentucky State Medical Association;

(b) A Technical Advisory Committee on Hospital Care consisting of five (5) hospital administrators appointed by the board of trustees of the Kentucky Hospital Association;

(c) A Technical Advisory Committee on Dental Care consisting of five (5) dentists appointed by the Kentucky Dental Association;

(d) A Technical Advisory Committee on Nursing Service consisting of five (5) nurses appointed by the board of directors of the Kentucky State Association of Registered Nurses;

(e) A Technical Advisory Committee on Drugs consisting of five (5) pharmacists appointed by the Kentucky Pharmacists Association;

(f) A Technical Advisory Committee on Nursing Home Care consisting of ***six (6)*** [~~five (5)~~] members ***of which five (5) members shall be*** appointed by the Kentucky Association of Health Care Facilities***, and one (1) member shall be appointed by the Kentucky Association of Nonprofit Homes and Services for the Aging, Inc.***;

(g) A Technical Advisory Committee on Optometric Care consisting of five (5) members appointed by the Kentucky Optometric Association;

(h) A Technical Advisory Committee on Podiatric Care consisting of five (5) podiatrists appointed by the Kentucky Podiatry Association;

(i) A Technical Advisory Committee on Primary Care consisting of five (5) primary care providers, two (2) of whom shall represent licensed health maintenance organizations, appointed by the Governor, until such time as an association of primary care providers is established, whereafter the association shall appoint the members;

(j) A Technical Advisory Committee on Home Health care consisting of five (5) members appointed by the board of directors of the Kentucky Home Health Association;

(k) A Technical Advisory Committee on Consumer Rights and Client Needs consisting of five (5) members, with one (1) member to be appointed by each of the following organizations: the Kentucky Combined Committee on Aging, the Kentucky Legal Services Corporation, the Kentucky Association for Retarded Citizens, the Department of Public Advocacy, and the National Association of Social Workers-Kentucky Chapter.

(2) The members of the technical advisory committees shall serve until their successors are appointed and qualified.

(3) Each appointive member of a committee shall serve without compensation but shall be entitled to reimbursement for actual and necessary expenses in carrying out his duties with reimbursement for expenses being made in accordance with state regulations relating to travel reimbursement.

Section 3. KRS 216A.040 is amended to read as follows:

There shall be a Kentucky Board of Licensure for Nursing Home Administrators located within the Finance and Administration Cabinet for administrative and budgetary purposes. The board shall be composed of ***ten (10)*** [~~nine (9)~~] members. The secretary of the Cabinet for Human Resources shall be an ex officio member of the board. The other members of the board shall be appointed by the Governor. One (1) member shall be a practicing hospital administrator, to be appointed from a list of two (2) names submitted by the Kentucky Hospital Association. One (1) member shall be a practicing medical physician, to be appointed from a list of two (2) names submitted by the Kentucky State Medical Association. One (1) member shall be an educator in the field of allied health services. One (1) member shall be a citizen at large who is not associated with or financially interested in the practice or business regulated. ***One (1) member shall be a practicing nursing home administrator appointed from a list of two (2) names submitted by the Kentucky Association of Nonprofit Homes and Services for the Aging, Inc.*** The other four (4) members shall be practicing nursing home administrators appointed from a list of two (2) names for each vacancy submitted by the Kentucky [~~Nursing Home~~] Association ***of Health Care Facilities*** and duly licensed under this chapter, except that such members of the initial board shall be required only to possess the qualifications and be eligible for licensure as required in this chapter.

Section 4. KRS 314.121 is amended to read as follows:

(1) The Governor shall appoint a Board of Nursing consisting of ***thirteen (13)*** [~~twelve (12)~~] members. ***Eight (8)*** [~~Seven (7)~~] members shall be registered nurses licensed to practice in the Commonwealth. Three (3) shall be practical nurses licensed to practice in the Commonwealth. One (1) member shall be a nurse service administrator who is a registered nurse licensed to practice in the Commonwealth. One (1) member shall be a citizen at large, who is not associated with or financially interested in the practice or business regulated. Each appointment shall be for a term of four (4) years expiring on June 30 of the fourth year. Each year two (2) registered nurse terms and one (1) licensed practical nurse term shall expire on June 30, except that every fourth year one (1) registered nurse term and one (1) consumer term shall expire on June 30. By March 1, the Kentucky Nurses Association shall submit to the Governor a list of members qualified for appointment as R.N. members, in number not less than twice the number of appointments to be made, from which list the Governor shall make each appointment or appointments necessary by July 1. By March 1, the Kentucky State Association of Licensed Practical Nurses shall submit to the Governor a list of names qualified for appointment as L.P.N. members, in number not less than twice the number of appointments to be made, from which list the Governor shall make each appointment or appointments as necessary by July 1. By March 1 of the year in which the nurse service administrator's term shall expire, the Kentucky Society for Hospital Nursing Service Administrators, an affiliate of the Kentucky Hospital Association, shall submit to the Governor two (2) names of qualified individuals for appointment as the nurse service administrator from which list the Governor shall make an appointment as necessary by July 1. ***By March 1, 1993, the Kentucky Association of Nonprofit Homes and Services for the Aging, Inc., shall submit to the Governor two (2) names of qualified individuals for appointments as its R.N. representative to the board, from which the Governor shall make an appointment by July 1, 1993*** [~~By March 1, 1989, the Kentucky Association of Health Care Facilities shall submit to the Governor two (2) names of qualified individuals for appointment as its R.N. representative to the board, from which list the Governor shall make an appointment as necessary by July 1, 1989. This appointment may be made at any time after July 15, 1988 but not later than the date specified herein~~].

(2) A vacancy on the board shall be filled by the Governor as provided for under subsection (1) of this section.

(3) The Governor may remove any member from the board for neglect of duty, incompetence, or unprofessional or dishonorable conduct.

(4) Each R.N. member of the board shall be a citizen of the United States, a resident of Kentucky, a graduate of an approved school of nursing and a registered nurse in this state. All shall have had at least five (5) years of experience in nursing, three (3) of which shall immediately precede such appointment. ***Five (5)*** [~~Four (4)~~] members shall be engaged in nursing practice; three (3) shall be engaged in nursing education; and one (1) shall be in nursing administration.

(5) Each L.P.N. member of the board shall be a citizen of the United States, a resident of Kentucky, a graduate of an approved school of practical nursing or its equivalent, licensed as a licensed practical nurse in this state, and have at least five (5) years of experience in nursing, three (3) of which shall immediately precede this appointment.

(6) The Governor shall appoint an advisory council to the board consisting of ***eight (8)*** [~~seven (7)~~] members to be selected one (1) each from lists submitted by Kentucky Medical Association, Kentucky Hospital Association, Kentucky Association of Health Care Facilities, ***Kentucky Association of Nonprofit Homes and Services for the Aging, Inc.,*** Kentucky Nurses' Association, Kentucky State Association of Licensed Practical Nurses,

Kentucky Dental Association and Kentucky Pharmacists Association. The council shall function in an advisory capacity only as a constructive force in establishing and maintaining standards of nurse competency and licensure regulations in the interest of public protection, and, in this connection shall be provided with copies of any proposed regulations of the board at least thirty (30) days prior to their filing with the Legislative Research Commission. The terms shall be for four (4) years. Two (2) shall be appointed each year except every fourth year when only one (1) shall be appointed.

The Committee Amendment No. 1 to **HB 387** is as follows:

Amend printed copy of **HB 387** as follows:

On page 8, lines 13,

After "***1993***" by inserting a period "."

And on page 8, lines 13-20,

By removing the brackets and strike throughs from the intervening material.

HB 470, AN ACT relating to the authority of the Attorney General.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 15.240 is amended to read as follows:

(1) Notwithstanding any other provision of law to the contrary the Attorney General ***may*** [~~shall have authority to~~] initiate actions or intervene in actions brought pursuant to the provisions of KRS Chapters 146, 151, 217B, 224, and 350.

(2) The Attorney General may initiate actions or intervene in actions brought pursuant to the provisions of KRS Chapters 209, 507, 508, 510, 514, 515, and 516 where the actions arise out of, involve, or are in connection with patients in health care facilities receiving payments from the State Treasury under the state medicaid plan.

The Committee Substitute to **HB 470** is as follows:

HB 470, AN ACT relating to the authority of the Attorney General.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 15.240 is amended to read as follows:

(1) Notwithstanding any other provision of law to the contrary the Attorney General ***may*** [~~shall have authority to~~] initiate actions or intervene in actions brought pursuant to the provisions of KRS Chapters 146, 151, 217B, 224, and 350.

(2) The Attorney General, at the request of the Commonwealth's attorney of the county in which the health care facility is located, may initiate actions or intervene in actions brought pursuant to the provisions of KRS Chapters 209, 507, 508, 510, 514, 515, and 516 where the actions arise out of, involve, or are in connection with patients in a health care facility which receives payments from the State Treasury under the state medicaid plan.

HB 512, AN ACT relating to the Archives and Records Commission.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 171.420 is amended to read as follows:

The State Archives and Records Commission, is hereby created and shall be a ***sixteen (16)*** [~~fifteen (15)~~] member body constituted as follows: The state librarian ***or his designee***, who shall be the chairman of the commission, secretary of the Cabinet for Education and Humanities ***or his designee***, the Auditor of Public Accounts ***or his designee***, the Chief Justice of the Supreme Court ***or his designee***, the director of the Legislative Research Commission ***or his designee***, the Attorney General ***or his designee***, the director of the Office for Policy and Management ***or his designee, the commissioner of the Department of Information Systems or his designee***, one (1) member appointed by the Governor from a list of three (3) persons submitted by the president of the University of Kentucky, one (1) member appointed by the Governor from a list of three (3) persons submitted by the president of the Kentucky Historical Society, one (1) member appointed by the Governor from a list of three (3) persons submitted by the president of the Kentucky Library Association, one (1) member appointed by the Governor from a list of seven (7) persons with one (1) name submitted by each of the presidents of the state universities and colleges, and four (4) citizens-at-large. Vacancies shall be filled by the Governor in the same manner as initial appointments are made. All members shall serve for a term of four (4) years, provided that one (1) of the initial appointments shall be for a term of four (4) years, one (1) for three (3) years, one (1) for two (2) years and one (1) for one (1) year. The commission shall advise the Department for Library and Archives on matters relating to archives and records management. The commission shall have the authority to review and approve schedules for retention and destruction of records submitted by state and local agencies. In all cases, the commission shall determine questions which relate to destruction of public records*, and*[;] their decision ***shall be*** [~~is~~] binding on the parties concerned and final, except that the commission may reconsider or modify its actions upon the agreement of a simple majority of the membership present and voting.

The Committee Amendment No. 1 to **HB 512** is as follows:

Amend printed copy of **HB 512** as follows:

On page 1, line 3, by deleting "***sixteen (16)***" and inserting in lieu thereof "***seventeen (17)***"; and

On page 2, line 3, by deleting the second "and"; and

On page 2, line 4, by inserting before the period the following: "***, and one (1) member appointed by the Governor from a list of three (3) persons, with one (1) name submitted by each of the presidents of the Kentucky League of Cities, the Kentucky Association of Counties, and the Kentucky Association of School Administrators***".

HB 524, AN ACT relating to state depositories.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 41.070 is amended to read as follows:

(1) Unless otherwise expressly provided by law, no receipts from any source of state money or money for which the state is responsible shall be held, used or deposited in any personal or special bank account, temporarily or otherwise, by any agent or employee of any budget unit, to meet expenditures or for any other purpose. All receipts of any character of any budget unit, all revenue collected for the state, and all public money and dues to the state shall be deposited in state depositories in the most prompt and cost-efficient manner available, except that in the case of state departments or agencies located outside Frankfort, and all state institutions, the Finance and Administration Cabinet may permit temporary deposits to be made to the accounts maintained by the agency, department, or institution in a bank which has been designated as a depository for state funds for a period not to exceed thirty (30) days, and may require that the money be forwarded to the State Treasury at the time and in the manner and form prescribed by the cabinet. Nothing in this section shall be construed as authorizing any representative of any agency, department, or institution to enforce or cash, even for the purpose of a deposit, any check or other instrument of value payable to the Commonwealth or any agency thereof.

(2) Each agency depositing its receipts directly with the State Treasurer shall do so on a pay-in-voucher form approved by the State Treasurer as agent in charge of public fund deposits.

(3) ***The Revenue Cabinet may deposit tax receipts to the credit of the state treasury directly with a depository utilized by the Commonwealth for its primary banking services.*** The State Treasurer, with the approval of the Finance and Administration Cabinet, may authorize ***other agencies*** [~~an agency~~] to deposit ***their*** [~~its~~] receipts directly with a depository designated by the treasury to the credit of the State Treasury provided that the treasurer shall prescribe the manner in which the deposit is to be made, and the forms and reports to be filed with the treasury department. The Finance and Administration Cabinet shall prescribe the forms and reports to be filed with it when this type of deposit is made.

(4) Each department, agency, or other budget unit which receives funds to be deposited into the State Treasury shall maintain records to report adequately each amount received, from whom received, and date received; such agency records shall be easily reconcilable with the pay-in-vouchers forwarded to the State Treasurer.

The Committee Substitute to **HB 524** is as follows:

HB 524, AN ACT relating to state depositories.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Program Review and Investigations Committee shall study the feasibility and financial impact of the Revenue Cabinet's depositing state tax receipts directly in a state depository bank instead of first routing tax receipts through the Department of the Treasury.

Section 2. That the Program Review and Investigations Committee shall report its findings and recommendations to the Legislative Research Commission by July 1, 1993.

Section 3. Staff services to be utilized in completing this study are estimated to cost $15,000.

The Committee Title Amendment to **HB 524** is as follows:

Amend printed copy of **HB 524**, Title, as follows:

By deleting "relating to state depositories" and inserting in lieu thereof "directing the Program Review and Investigations Committee to study the deposit of state tax receipts".

HB 562, AN ACT relating to reorganization.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The General Assembly confirms the Governor's Executive Order 90-695 transferring the tour guide service for the State Capitol, the Governor's mansion, and the old Governor's mansion from the Kentucky Historical Society to the Office of Historic Properties within the Cabinet for Finance and Administration.

Section 2. The General Assembly confirms Governor's Executive Order 90-695 to the extent that it is not otherwise confirmed by this Act.

HB 652, AN ACT relating to relations between the Commonwealth of Kentucky and the United States military forces stationed therein.

WHEREAS, Kentucky is extremely fortunate to have a deep involvement and association with the military, whose commitment to our Commonwealth is among the largest of any state in the Union; and

WHEREAS, the magnitude of the military's presence in the Commonwealth and its impact on our economy is illustrated by the military's annual payroll of $1.8 billion and its 94,000 active, reserve, National Guard, and civilian personnel and military retirees in Kentucky; and

WHEREAS, it is imperative that the Commonwealth work to protect this unique asset and to actively promote the future of the military in Kentucky; and

WHEREAS, a military-civilian partnership is essential to ensuring a continuing, viable military presence in our state;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

(1) There is created the Kentucky Military Affairs Commission. The commission shall be attached to the Cabinet for Economic Development for administrative purposes.

(2) It shall be the purpose of the Kentucky Military Affairs Commission to:

(a) Address matters of military significance to Kentucky;

(b) Maintain a cooperative and constructive relationship between state agencies and the military entities in Kentucky;

(c) Advise the Governor and the General Assembly on all matters in which the military services and the Commonwealth have mutual interests and concerns;

(d) Develop recommendations to promote the mission needs of military entities in Kentucky and to enhance the total military presence in the Commonwealth; and

(e) Develop proposals to encourage military personnel to retire and relocate in Kentucky and to ensure that adequate facilities and services are available to meet their needs.

(3) The Kentucky Military Affairs Commission shall consist of an executive committee, a steering committee, and working committees that the steering committee may establish to consider specific issues relating to the Commonwealth and the military. The Cabinet for Economic Development shall provide to the commission, from its existing staff, a staff member whose primary responsibility is to carry out the purposes of the Commission, and other staff support as necessary, including staff in the appropriate regional offices.

(4) The members of the executive committee shall include:

(a) The Governor;

(b) The Secretary of the Cabinet for Economic Development;

(c) The civilian aides to the Untied States military service secretaries in Kentucky;

(d) The Commander of Fort Campbell;

(e) The Commander of Fort Knox;

(f) The Depot Commander of the Lexington Bluegrass Army Depot;

(g) The Commander of the Louisville District of the United States Army Corps of Engineers;

(h) The Commander of the Naval Ordnance Station;

(i) The Adjutant General of the Commonwealth;

(j) The Commander of the One Hundredth Training Division;

(k) Five (5) at-large members appointed by the Governor who shall be residents of counties significantly impacted by military installations;

(l) The President Pro Tempore of the Senate, or his designee; and

(m) The Speaker of the House of Representatives, or his designee.

(5) The executive committee shall meet two (2) times each year, and may meet at other times on call of the Governor, to establish the commission's goals and to review issues identified and recommendations made by the steering committee.

(6) The members of the steering committee shall include:

(a) The Secretary of the Cabinet for Economic Development, who shall serve as chairman;

(b) The Adjutant General of the Commonwealth, who shall serve as vice-chairman;

(c) The secretaries of the following cabinets, or their designees:

1. Finance and Administration;

2. Human Resources;

3. Justice;

4. Natural Resources and Environmental Protection;

5. Transportation; and

6. Workforce Development;

(d) A member of the Governor's staff designated by the Governor;

(e) The Attorney General, or his designee; and

(f) One (1) staff designee of each of the commanders of Fort Campbell, Fort Knox, the Lexington-Bluegrass Army Depot, the Louisville District of the United States Army Corps of Engineers, the Naval Ordnance Station, and the One Hundredth Training Division.

(7) The Governor may appoint to the steering committee five (5) at-large members who shall be residents of counties significantly impacted by military installations.

(8) The steering committee shall implement the goals established for the commission by the executive committee and advise the executive committee on all matters relating to the purposes and goals of the commission. The steering committee may establish working committees to discuss specific issues relating to the Commonwealth and the military.

The Committee Amendment No. 1 to **HB 652** is as follows:

Amend printed copy of **HB 652** as follows:

On page 3, line 11, by deleting "***Untied***" and inserting in lieu thereof "***United***".

HB 684, AN ACT relating to public employees.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 61.102 is amended to read as follows:

(1) No employer shall subject to reprisal, or directly or indirectly use, or threaten to use, any official authority or influence, in any manner whatsoever, which tends to discourage, restrain, depress, dissuade, deter, prevent, interfere with, coerce, or discriminate against any employee who in good faith reports, discloses, divulges, or otherwise brings to the attention of the Attorney General, the Auditor of Public Accounts, the General Assembly of the Commonwealth of Kentucky or any of its members or employees, the Legislative Research Commission or any of its committees, members or employees, the judiciary or any member or employee of the judiciary, any law enforcement agency or its employees, or any other appropriate body or authority, any facts or information relative to an actual or suspected violation of any law, statute, executive order, administrative regulation, mandate, rule, or ordinance of the United States, the Commonwealth of Kentucky, or any of its political subdivisions, or any facts or information relative to actual or suspected mismanagement, ***gross mismanagement, gross*** waste ***of funds***, fraud, ***abuse of authority***, or ***a substantial and specific danger to*** [~~endangerment of~~] public health or safety. No employer shall require any employee to give notice prior to making [~~such~~] a report, disclosure, or divulgence.

(2) ***No employer shall subject to reprisal or discriminate against, or use any official authority or influence to cause reprisal or discrimination by others against, any person who supports, aids, or substantiates any employee who makes public any wrongdoing set forth in subsection (1) of this section.***

(3) This section shall not be construed as:

(a) Prohibiting an employer from requiring that an employee inform him of an official request made to an agency for information, or the substance of testimony made, or to be made, by the employee to legislators on behalf of an agency;

(b) Permitting the employee to leave his assigned work area during normal work hours without following applicable law, administrative regulations, rules, or policies pertaining to leave, unless the employee is requested by a legislator or a legislative committee to appear before a legislative committee;

(c) Authorizing an employee to represent his personal opinions as the opinions of his employer; or

(d) Prohibiting disciplinary or punitive action if an employee discloses information which he knows:

1. To be false or which he discloses with reckless disregard for its truth or falsity;

2. To be exempt from required disclosure under the provisions of KRS 61.870 to 61.884; or

3. Is confidential under any other provision of law.

Section 2. KRS 61.103 is amended to read as follows:

As used in this section, unless the context otherwise requires:

(1) ***(a) "Disclosure" means a person acting on his own behalf, or on behalf of another, who reported or is about to report, either verbally or in writing, any matter set forth in KRS 61.102.***

(b) "Contributing factor" means any factor which, alone or in connection with other factors, tends to affect in any way the outcome of a decision. It shall be presumed that there existed a "contributing factor" when the official taking the action knew or had constructive knowledge of the disclosure and acted within a limited period of time so that a reasonable person would conclude that the disclosure was a factor in the personnel action.

(2) Notwithstanding the administrative remedies granted by KRS Chapters 16, 18A, 78, 90, 95, 156, and other chapters of the Kentucky Revised Statutes, employees alleging a violation of KRS 61.102(1) ***or (2)*** may bring a civil action for appropriate injunctive relief or punitive damages, or both, within ninety (90) days after the occurrence of the alleged violation. ***The*** [~~Such~~] action may be filed in the Circuit Court for the county where the alleged violation occurred, the county where the complainant resides, or the county where the person against whom the civil complaint is filed resides or has his principal place of business.

(3)[~~(2)~~] Employees filing court actions under the provisions of subsection ***(2)***[~~(1)~~] of this section shall show by ***a preponderance of evidence that the disclosure was a contributing factor in the personnel action. Once a prima facie case of reprisal has been established and disclosure determined to be a contributing factor to the personnel action, the burden of proof shall be on the agency to prove by clear and convincing evidence that the disclosure was not a material fact in the personnel action*** [~~clear and convincing evidence that they, or a person acting on their behalf, were about to report or have already reported, either verbally or in writing, a violation, or a suspected violation, of a law, statute, executive order, administrative regulation, mandate, rule, or ordinance of the United States, the Commonwealth of Kentucky, or any of its political subdivisions~~].

(4) Any employee who testifies in an official proceeding shall be afforded the same protections and rights as the employee who makes a disclosure as set forth in Section 1.

The Committee Amendment No. 1 to **HB 684** is as follows:

Amend printed copy of **HB 684** as follows:

On page 1, line 21, by deleting "***gross mismanagement,***"; and

On page 2, line 1, by deleting "***gross***" and "***of funds***".

HB 685, AN ACT relating to the inspector general.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 15 IS CREATED TO READ AS FOLLOWS:

(1) The position of inspector general is created within the Office of the Attorney General.

(2) The inspector general shall be appointed by the Governor from a list of three (3) names submitted by the Prosecutor's Advisory Council.

(3) The inspector general shall not be removed from office without a showing that he failed to perform his duty or violated the law.

(4) The inspector general shall serve a term of four (4) years, beginning January 1, 1994, and may be reappointed.

(5) The inspector general shall receive the same salary as the deputy Attorney General.

(6) The inspector general shall have the following minimum qualifications:

(a) Be a licensed attorney for four (4) years with at least two (2) years experience in the prosecution of criminal cases; or

(b) Be a licensed certified public accountant for four (4) years with at least two (2) years experience in auditing of public or private financial records; or

(c) Be a law enforcement officer with a college degree in law enforcement and four (4) years of investigative experience.

(7) The staff of assistant inspector generals shall be appointed by the inspector general and shall be merit employees of the Commonwealth of Kentucky. The staff, while not limited to attorneys, shall have a sufficient number of attorneys to permit criminal prosecution.

SECTION 2. A NEW SECTION OF KRS CHAPTER 15 IS CREATED TO READ AS FOLLOWS:

The inspector general shall have the following duties:

(1) To conduct investigations within government agencies and programs administering public funds through nongovernmental entities or unlawful acts with regard to an election;

(2) To identify and prosecute participants in any criminal activity;

(3) To report to the Governor, the General Assembly, and the Legislative Research Commission deficiencies in agency procedure that prevent effective investigation of public expenditures; and

(4) To unify investigative prosecutorial efforts within the limited jurisdiction set forth in this section of the Attorney General, the Kentucky State Police, other state and local law enforcements and regulatory agencies, and Commonwealth's and county attorneys.

(5) To represent any public employee disclosing a violation of law under KRS 61.101 to 61.103 before any public personnel or administrative review board that considers action regarding a public employee subsequent to the employee disclosing a violation of law and protected by KRS 61.101 to 61.103.

SECTION 3. A NEW SECTION OF KRS CHAPTER 15 IS CREATED TO READ AS FOLLOWS:

The inspector general shall have the following powers:

(1) He shall be a peace officer and shall have the powers of a sheriff, except that he may exercise those powers statewide;

(2) He shall have the authority to utilize the investigative services of the Kentucky State Police, other state and local law enforcement and regulatory agencies, and Commonwealth's and county attorneys.

(3) He shall have access to all records, reports, audits, documents, and other evidentiary materials that apply to any state agency, or relate to any programs of local or private agencies or organizations responsible for the handling of public funds;

(4) He may request any information or assistance necessary for carrying out the duties and responsibilities of his office from any state or local government agency or private agency that handles public funds. He shall have direct and prompt access to any of these agencies, and can require full cooperation of all employees within the agency;

(5) He shall have full access to the grand jury of any county in which he is conducting an investigation, for the purpose of conducting an investigation, or presenting an investigation for consideration by the grand jury of a criminal indictment. The inspector general shall possess the same authority with regard to a grand jury as is now given to the Commonwealth's attorney, but his powers shall be limited to the investigations authorized by Section 1 to 7 of this Act;

(6) He may require that state and local agencies conducting investigations coordinate those investigations with him when those investigations are within his authority as provided for in Section 1 to 7 of this Act; and

(7) He may compel the attendance of witnesses and the production of evidence by subpoena enforceable in the Circuit Court of the county in which the witness resides, or the evidence is located, or suspected to be located.

SECTION 4. A NEW SECTION OF KRS CHAPTER 15 IS CREATED TO READ AS FOLLOWS:

The inspector general may initiate an investigation:

(1) Upon information or complaints from any public employee regarding criminal or unauthorized activity;

(2) Upon request of a concerned citizen, legislative, executive, or judicial officer, or grand jury; or

(3) Upon his own initiative.

SECTION 5. A NEW SECTION OF KRS CHAPTER 15 IS CREATED TO READ AS FOLLOWS:

The inspector general shall report:

(1) To the Attorney General and Commissioner of State Police on a regularly scheduled basis to be determined by the Attorney General. The report shall cover all complaints received during the reporting period, investigations conducted, and the results of those investigations; and

(2) To the Governor and the Legislative Research Commission not less than every six (6) months on the following:

(a) All concluded investigations, concluded and otherwise, and the results thereof; and

(b) All continuing investigations, except when the Attorney General, Commissioner of State Police, and the inspector general unanimously agree that reporting would be detrimental to the investigation.

SECTION 6. A NEW SECTION OF KRS CHAPTER 15 IS CREATED TO READ AS FOLLOWS:

All reports and complaints received by the inspector general shall be fully investigated, and in the event of a termination of an investigation for any reason, a written report shall be made setting forth the results of the investigation, and the reasons for the termination of the investigation.

SECTION 7. A NEW SECTION OF KRS CHAPTER 15 IS CREATED TO READ AS FOLLOWS:

(1) All reports to the Governor and to the Legislative Research Commission shall be confidential for sixty (60) days, after which time they shall be public records.

(2) The provisions of subsection (1) of this section to the contrary notwithstanding, public disclosure of information provided to the Governor or to the Legislative Research Commission shall not be made when the disclosure is specifically prohibited by any other provision of law, or when there is an ongoing criminal investigation.

The Committee Amendment No. 1 to **HB 685** is as follows:

Amend printed copy of **HB 685** as follows:

On page 2, line 7, by deleting "***merit***"; and

On page 2, line 8, by deleting "***Commonwealth of Kentucky***" and inserting in lieu threreof "***classified service governed by the provisions of KRS Chapter 18A***".

HB 727, AN ACT relating to retirement.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 61.552 is amended to read as follows:

(1) Any employee participating in one (1) of the state-administered retirement systems or an employee of a parted employer whose employment has previously been terminated and who has been refunded his accumulated contributions, thereby losing service credit, may regain such credit by paying to the system from which he received the refund or refunds the amount or amounts refunded with interest at a rate determined by the board of the respective retirement system***;***[~~,~~] provided, however, the provisions of KRS 161.470 must be met in order to regain such credit in the Teachers' Retirement System and provided further, that KRS 21.460 shall govern with respect to regaining credit in the judicial retirement plan or legislators' retirement plan. ***The*** [~~Such~~] payment, including interest as determined by the board, shall be deposited to the member's contribution account and considered as accumulated contributions of the individual member. ***The*** [~~Such~~] payments shall not be picked up, as described in KRS 61.560(4), by the employer.

(2) Any employee participating in one (1) of the state-administered retirement systems who did not elect membership in the County Employees Retirement System, as provided in subsection (2) of KRS 78.540, may obtain credit in the County Employees Retirement System for prior service and for current service by paying to the County Employees Retirement System a delayed contribution payment for the service he would have received had he elected membership. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment shall be by lump sum except that the employee may pay by increments. The minimum increment payment shall be for a full year of service unless there is a fraction remaining after all full years have been paid for.

(3) Any employee participating in one (1) of the state-administered retirement systems who did not elect membership in the Kentucky Employees Retirement System, as provided in subsection (2) of KRS 61.525, may obtain credit in the Kentucky Employees Retirement System for prior service and for current service by paying to the system a delayed contribution payment for the service he would have received had he elected membership. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment shall be by lump sum except that the employee may pay by increments. The minimum increment payment shall be for a full year of service unless there is a fraction remaining after all full years have been paid for.

(4) An employee may obtain credit in the Kentucky Employees Retirement System for current service between July 1, 1956, and the effective date of participation of his department by paying to the system a delayed contribution payment for the service he would have received had his department participated on July 1, 1956. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment shall be by lump sum except that the employee may pay by increments. The minimum increment payment shall be for a full year of service unless there is a fraction remaining after all full years have been paid for. Effective August 1, 1988, each employee of the Kentucky Racing Commission who was employed by the racing commission on the date that agency first participated in the Kentucky Employees Retirement System, whether or not the employee was eligible to participate in the retirement system on that date, shall receive current service credit for all employment with the racing commission from July 1, 1956, to the date the employee first began participating in the retirement system. The cost of the service credit shall be paid at the time of each member's retirement by the racing commission and shall be credited to the retirement allowance account.

(5) An employee who is or was an employee of a county participating in the County Employees Retirement System which did not participate in the system effective July 1, 1958, may obtain credit in the County Employees Retirement System for current service between July 1, 1958, and the effective date of participation of his county by paying to the County Employees Retirement System a delayed contribution payment for the service he would have received had his county participated on July 1, 1958. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. An employee participating in the Kentucky Employees Retirement System or the County Employees Retirement System who was formerly employed by an area development district created pursuant to KRS 147A.050 which does not participate in the County Employees Retirement System may obtain credit for the period of his service with the area development district by paying to the retirement system in which he participates the full cost of the service credit purchased, as determined by the system actuary. Payment shall be by lump sum except that the employee may pay by increments. The minimum increment payment shall be for a full year of service unless there is a fraction remaining after all full years have been paid for.

(6) Effective August 1, 1988, service credit obtained under subsections (1) to (5), (8) to (12), (14) and (15) of this section shall be disallowed and the recontribution of refund, including interest as determined by the board or other payment, if any, shall be paid to the member, upon request, if the member does not obtain for service performed six (6) months' current service credit in one (1) of the state-administered retirement systems or as an employee of a parted employer. The service requirement shall be waived if the member dies or becomes disabled as provided for by KRS 61.600.

(7) The members shall not receive benefit of service for the same period of time in another public defined benefit retirement fund.

(8) Any employee participating in one (1) of the state-administered retirement systems who has obtained for service performed six (6) months' current service credit in one (1) of the retirement systems administered by the Kentucky Retirement Systems, who formerly worked for a state university in a position which would have qualified as a regular full-time position had the university been a participating department, and who did not have the option to be covered at the university by an advance funded retirement program in which he could vest during his period of employment, or did not participate in a retirement system which can be consolidated with other accounts pursuant to KRS 61.680(2), may obtain credit in the County Employees Retirement System, the Kentucky Employees Retirement System or the State Police Retirement System for prior and current service by paying either retirement system a delayed contribution payment for the service

he would have received had his period of university employment been covered by the county employees, Kentucky Employees Retirement System or State Police Retirement System. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer.

(9) (a) Effective August 1, 1980, any county participating in the County Employees Retirement System may purchase current service, between July 1, 1958, and participation date of the county, for present employees of the county who have obtained coverage under KRS 78.540(2);

(b) Effective July 1, 1973, any department participating in the Kentucky Employees Retirement System may purchase current service between July 1, 1956, and participation date of the department, for present employees of the department who were employees on the participation date of the department and elected coverage under KRS 61.525(2);

(c) Cost of the service credit purchased under this subsection shall be determined by computing the discounted value of the additional service credit based on an actuarial formula recommended by the board's consulting actuary and approved by the board. A department shall make payment for such service credit within the same fiscal year in which the option is elected. The county shall establish a payment schedule subject to approval by the board for payment of such service credit. The maximum period allowed in a payment schedule shall be ten (10) years with interest at the rate actuarially assumed by the board; however, a shorter period is desirable and the board may approve any schedule provided it is not longer than a ten (10) year period;

(d) If a county or department elects the provisions of this subsection, any present employee who would be eligible to receive service credit under the provisions of this subsection and has purchased service credit under subsection (4) or (5) of this section shall have his payment for such service credit refunded with interest at the rate paid under KRS 61.575 or 78.640;

(e) Any payments made by a county or department under this subsection shall be deposited to the retirement allowance account of the proper retirement system and these funds shall not be considered accumulated contributions of the individual members.

(10) Interest paid by a member of the Kentucky Employees Retirement System, County Employees Retirement System, or State Police Retirement System under this section or other similar statutes under KRS 16.510 to 16.652, 61.515 to 61.705, or 78.520 to 78.852 prior to June 19, 1976, shall be credited to the individual member's contribution account in the appropriate retirement system and considered as accumulated contributions of the member.

(11) Members who served as assistants to officers and employees of the General Assembly who were unable to acquire service under KRS 61.510(20) may purchase credit for such service performed after January 1, 1960, provided the service purchased when added to other accumulated service will total at least forty-eight (48) months. Service credit under this section shall be obtained by the payment of a delayed contribution which shall not be picked up by the employer as described in KRS 61.560(4).

(12) Effective August 1, 1988, any employee participating in one (1) of the state-administered retirement systems may purchase service credit for seasonal, emergency, or temporary employment or part-time employment averaging one hundred (100) or more hours of work per month on an annual or fiscal year basis. If the average number of hours of work is less than one hundred (100) per month, the member shall be allowed credit only for those months he receives creditable compensation for one hundred (100) hours of work. The cost will be determined by computing the member and employer contributions for the period of time involved plus interest compounded annually at the current actuarial rate, which shall not be picked up by the employer as described in KRS 61.560(4). Teacher aides, secretaries, custodial personnel, and cafeteria employees of a school district may purchase service credit for part-time employment prior to the 1990-91 school year which averaged eighty (80) or more hours of work per month on an annual or fiscal year basis by paying to the County Employees Retirement System a delayed contribution payment. The delayed contribution payment shall not be picked up, as described in KRS 78.610(4), by the employer. Payment shall be by lump sum, except that the employee may pay by increments. The minimum increment payment shall be for a full year of service unless there is a fraction remaining after all full years have been paid for.

(13) A retired member, who is contributing to one (1) of the state-administered retirement programs and purchases service credit under this section in the system or systems from which he is retired, will have his retirement allowance recomputed:

(a) Upon termination from employment, if the member is contributing to the same system or systems from which he was retired; or

(b) Upon completion of six (6) months' service credit as required under subsection (6) of this section, if the member is contributing to a system other than the system or systems from which he is retired.

(14) Any employee participating in one (1) of the state-administered retirement systems may obtain credit for prior or current service for any period of approved educational leave by paying to the respective retirement system a delayed contribution payment. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer, and shall be deposited to the individual member's account.

(15) Any employee participating in one (1) of the state-administered retirement systems may obtain credit for prior or current service for any period of approved maternity leave granted prior to January 1, 1972, or for any period of approved sick leave without pay, by paying to the respective retirement system a delayed contribution payment. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer, and shall be deposited to the individual member's account.

(16) Any employee participating in one (1) of the retirement systems administered by Kentucky Retirement Systems may purchase service credit under any of the provisions of KRS 16.510 to 16.652, 61.515 to 61.705, or 78.520 to 78.852 by making installment payments in lieu of a lump sum payment.

(a) The cost of the service shall be computed in the same manner as for a lump-sum payment which shall be the principal; and interest, at the actuarial rate in effect at the time the member elects to make the purchase compounded annually, shall be added for the the period that the installments are to be made. Multiple service purchases may be combined under a single installment purchase; however, no employee may make more than one (1) installment purchase at the same time. The employee may elect to stop the installment payments by notifying the retirement system; or may have the installment purchase recalculated to add one (1) or more additional service purchases or may pay by lump sum the remaining principal.

(b) Twelve (12) consecutive monthly installment payments will be made for each one thousand dollars ($1,000) or any part thereof of the total cost, except that the total number of installments shall not be less than twelve (12) and shall not exceed sixty (60).

(c) The employee shall pay the installments by payroll deduction each pay period. Upon notification by the retirement system, the employer shall report the installment payments separate from regular employee contributions on the forms or by the computer format specified by the board. The payments made under this subsection shall be considered accumulated contributions of the member and shall not be picked up by the employer pursuant to KRS 61.560(4) and no employer contributions shall be paid on the installments.

(d) The retirement system shall determine how much of the total cost represents payment for one (1) month of the service to be purchased and shall credit one (1) month of service to the member's account each time this amount has been paid. The first service credited shall represent the first calendar month of the service to be purchased and each succeeding month of service credit shall represent the succeeding months of that service.

(e) If the employee dies, retires, terminates employment, or does not continue employment in a position required to participate in the retirement system, the member, or in the case of death, the beneficiary, shall have thirty (30) days to pay the remaining principal of the purchase by lump sum. If the member or beneficiary does not pay the remaining cost, the retirement system shall refund to the member or the beneficiary the payment, payments or portion of a payment that does not represent a full month of service purchased. ***An employee serving in the military reserves or National Guard who is called to active military duty may, during his absence from employment, continue his installment payments by a method other than payroll deduction, and the retirement system shall accept the absent employee's monthly payment.***

(f) If the employer does not report installment payments on an employee for sixty (60) days, the installment purchase shall cease and the retirement system shall refund to the employee the payment, payments, or portion of a payment that does not represent a full month of service purchased.

(g) If payments have ceased under subsection (15)(e) or (f) of this section and the member later becomes a participating employee in one (1) of the three (3) systems administered by Kentucky Retirement Systems, the employee may complete the adjusted original installment purchase by lump sum or installment payments. If the employee elects to renew the installment purchase, the cost of the remaining service shall be recalculated in accordance with paragraph (a) of this subsection. If the original installment purchase was for multiple service purchases, the employee may not separate those purchases under a new installment purchase.

(h) Any employee participating in one (1) of the retirement systems administered by Kentucky Retirement Systems may purchase service credit under any of the provisions of KRS 16.510 to 16.652, 61.515 to 61.705, or 78.520 to 78.852 by transferring funds directly from a retirement plan maintained by his employer which is a qualified plan pursuant to Section 401(a) of the Internal Revenue Code or by a rollover of funds from the plan pursuant to the rules specified in Section 402(a)(5) of the Internal Revenue Code and the Kentucky Retirement Systems shall accept the transfer or rollover. The amount shall be credited to the individual member's contribution account in the appropriate retirement system and shall be considered accumulated contributions of the member.

The Committee Amendment No. 1 to **HB 727** is as follows:

Amend printed copy of **HB 727** as follows:

on page 12, line 19, by inserting after "***payments***" the words "***for a period not to exceed twenty-four (24) months***".

Calendar

HB 591, **HB 608**, **HCR 20**, **HB 483**, **HB 582**, **HB 615**, **HB 674**, **HB 186**, **HB 427**, **HB 502**, **HB 530**, **HB 545**, **HB 698**, **HB 241**, **HB 256**, **HB 601**, **HB 646**, **HB 462**, **HB 379**, **HB 438**, **HB 477**, **HB 616**, **HB 627**, **HCR 110**, **HB 680**, **HB 681**, **HB 726**, **HB 738**, **HB 523**, **HB 585** and **HB 607** taken from the Calendar and ordered read at length for the second time. Representative Stumbo moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Consent Calendar

HB 605, **HB 772** and **HJR 116** taken from the Consent Calendar and ordered read at length for the second time. Representative Stumbo moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Recess

Representative Stumbo moved that the House recess for five minutes for a meeting of the Committee on Rules. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Representative Stumbo moved that the rules be suspended for a report of the Committee on Rules. Agreed.

Report of Committees (Continued)

The Committee on Rules reported that the following Consent Bills have been posted for passage in the Regular Orders of the Day for March 9, 1992: **HB 605**, **HB 772**, **HJR 116**

The Committee on Rules reported that **HB 198**, **SB 107**, **HB 241**, **HB 256**, **HB 438**, **HB 462**, **HB 477**, **HB 483**, **HB 502**, **HB 523**, **HB 530**, **HB 545**, **HB 582**, **HB 591**. **HB 601**, **HB 607**, **HB 608**, **HB 615**, **HB 627**, **HB 646**, **HB 674** and **HCR 20** have been posted for passage in the Orders of the Day for March 9, 1992.

The Committee on Rules reported that the following Bills and Resolution have been recommitted:

Elections and Constitutional Amendments: **HB 230**

Appropriations and Revenue: **HB 698**, **HB 726**, **HCR 110**

Orders of the Day

SB 79, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Ward moved the adoption of Floor Amendment No. 2 to **SB 79**. Agreed.

Representative Ward moved that **SB 79**, as amended, be passed.

On the roll call the vote was: Yeas 90, Nays 3. (See March 5, 1992 roll call on **SB 79** - Appendix.)

SB 79, as amended, was passed and the title agreed to.

Representative Ward moved that the vote by which **SB 79**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 96 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Riggs moved that **SB 96** be passed.

On the roll call the vote was: Yeas 97, Nays 0. (See March 5, 1992 roll call on **SB 96** - Appendix.)

SB 96 was passed and the title agreed to.

Representative Riggs moved that the vote by which **SB 96** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 65, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Callahan moved the adoption of the Committee Substitute to **HB 65**. Agreed.

Representative Callahan moved that **HB 65**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 93, Nays 4. (See March 5, 1992 roll call on **HB 65** - Appendix.)

HB 65, by way of Committee Substitute, was passed and the title agreed to.

Representative Callahan moved that the vote by which **HB 65**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 162 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Farrow moved that **HB 162** be passed.

On the roll call the vote was: Yeas 93, Nays 0. (See March 5, 1992 roll call on **HB 162** - Appendix.)

HB 162 was passed and the title agreed to.

Representative Farrow moved that the vote by which **HB 162** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 295 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Jones moved that **HB 295** be passed.

On the roll call the vote was: Yeas 98, Nays 0. (See March 5, 1992 roll call on **HB 295** - Appendix.)

HB 295 was passed and the title agreed to.

HB 508 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stokes moved that **HB 508** be passed.

On the roll call the vote was: Yeas 98, Nays 0. (See March 5, 1992 roll call on **HB 508** - Appendix.)

HB 508 was passed and the title agreed to.

Representative Stokes moved that the vote by which **HB 508** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 216 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Strong moved that **HB 216** be passed.

On the roll call the vote was: Yeas 96, Nays 0. (See March 5, 1992 roll call on **HB 216** - Appendix.)

HB 216 was passed and the title agreed to.

Representative Strong moved that the vote by which **HB 216** was passed be reconsidered and said motion be placed on the table. Agreed.

Floor Amenmdents (Continued)

Floor Amendment No. 1 to the Committee Substitute to **HB 433**, by Representative Morris:

Amend printed copy of **HB 433/HCS** as follows:

On page 6, after line 15 by inserting;

"Section 4. KRS 304.33-330 is amended to read as follows:

(1) Mutual debts or mutual credits, whether arising out of one (1) or more contracts, between the insurer and another person in connection with any action or proceeding under this subtitle shall be setoff and the balance only shall be allowed or paid, except as provided in subsections (2) of this section and KRS 304.33-215.

(2) Setoff shall not be allowed in favor of any person if:

(a) The obligation of the insurer to the person would not at the date of the filing of a petition for rehabilitation or liquidation entitle the person to share as a claimant in the assets of the insurer;

(b) The obligation of the insurer to the person was purchased by or transferred to the person with a view to its being used as a setoff;

(c) The obligation of the insurer is owed to an affiliate of the person, or any other entity or association other than the person;

(d) The obligation of the person is owed to an affiliate of the insurer, or any other entity or association other than the insurer;

(e) The obligation of the person is to pay an assessment levied against the members or subscribers of the insurer, is to pay a balance upon a subscription to the capital stock of the insurer, or is in any other way in the nature of a capital contribution; or

(f) The obligations between the person and the insurer arise out of transactions where either the person or the insurer has assumed risks and obligations from the other party and then has ceded back to that party substantially the same risks and obligations.

(3) The rehabilitator or liquidator shall provide persons with accounting statements identifying debts which are due and payable. Where a person owes to the insurer amounts which are due and payable, against which the person asserts setoff of mutual credits which may become due and payable from the insurer in the future, the person shall promptly pay to the rehabilitator or liquidator the amounts due and payable; provided that, notwithstanding KRS 304.33-430, the rehabilitator or liquidator shall promptly and fully refund to the extent of the person's prior payments, any mutual credits that become due and payable to the person by the insurer.

(4) These amendments shall apply to all contracts entered into, renewed, extended, or amended on or after six (6) months from the effective date of this Act. For purposes of this section, any change in the terms of, or consideration for, any contract shall be an amendment."; and

On page 6, line 16, after "SECTION" by deleting ***"4"*** and inserting in lieu thereof ***"5"***.

Floor Amendment No. 3 to the Committee Substitute to **HB 597**, by Representative Mason:

Amend printed copy of **HB 597/HCS** as follows:

On page 1, after line 13 by adding:

"SECTION 2. A NEW SECTION OF SUBTITLE 12 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

The provisions of the Sherman Act, 15 U.S.C.A. Section 1 et. seq., the Clayton Act, 15 U.S.C.A. Section 12 et. seq., and the Federal Trade Commission Act, 15 U.S.C.A. Section 41 et.seq. shall be applicable to the business of insurance in the Commonwealth of Kentucky.

SECTION 3. A NEW SECTION OF SUBTITLE 99 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

The commissioner shall suspend or revoke the license or certificate of authority of any person who violates any of the federal laws specified in Section 2 of this Act."

Orders of the Day (Continued)

HB 511, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Moberly moved the adoption of Floor Amendment No. 1 to **HB 511**. Agreed.

Representative Moberly moved the adoption of Floor Amendment No. 2 to **HB 511**. Agreed.

Representative Brown moved that **HB 511**, as amended, be passed.

On the roll call the vote was: Yeas 99, Nays 0. (See March 5, 1992 roll call on **HB 511** - Appendix.)

HB 511, as amended, was passed and the title agreed to.

Representative Brown moved that the vote by which **HB 511**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 504, with Committee Substitute and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Arnold moved the adoption of the Committee Substitute to **HB 504**. Agreed.

Representative Arnold moved the adoption of Floor Amendment No. 3 to the Committee Substitute to **HB 504**. Agreed.

Representative Arnold moved that **HB 504**, by way of Committee Substitute as amended, be passed.

Representative Sanders moved the adoption of Floor Amendment No. 2 to the Committee Substitute to **HB 504**.

On the roll call the vote was yeas 55—Ackerson, Adkins, Allen, Altman, Ballard, Brown, Bryant, Casebier, Castleman, P. Clark, Coleman, Crupper, Curd, Deskins, Farley, Ford, Freibert, Gedling, Gee, J. Harper, K. Harper, Hatcher, Heleringer, Hourigan, Jensen, Keith, Lile, Lyne, Maggard, Mason, Mullinix, Napier, Nelson, Noland, Northup, Nunn, Overstreet, Pritchett, Ravenscraft. Reinhardt, Richards, Ridley, Riner, Sanders, B. R. Smith, T. Smith, Strong, Tody, Todd, Turner, Walker, Williams, Worthington, Yates, Zimmerman. Nays 35—Ark, Arnold, Barrows, Blandford, Bowling, Bronger, Bruce, Burch, L. Clark, Clarke, Cyrus, Farrow, Geveden, Gray, Gregory, Hancock, Johnson, Jones, Lear. LeMaster, Lewis, Long, Mack, McElroy, Moberly, Noe, Palumbo, Rapier, Richardson, Riggs, Scorsone, Stokes, Stumbo, Ward, Wayne.

Floor Amendment No. 2 to the Committee Substitute to **HB 504** was adopted.

Representative Arnold moved that **HB 504**, by way of Committee Substitute as amended, be passed.

Representative Bowling moved that **HB 504** be laid on the Clerk's Desk.

On the roll call the vote was yeas 16—Ackerson, Barrows, Bently, Bowling, Bronger, Bruce, L. Clark, Coleman, Geveden, Hancock, Heleringer, Northup, Sheehan, Strong, Stumbo, Wayne. Nays 72-Adkins, Allen, Altman, Ark, Arnold, Ballard, Blandford, Brown, Burch, Butler, Callahan, Casebier, Castleman, P. Clark, Collins, Crupper, Curd, Cyrus, Farley, Ford, Freibert, Gedling, Gee, Gray, Gregory, J. Harper, K. Harper, Hatcher, Hourigan, Johnson, Jones, Kerr, Lear, Lile, Little, Long, Lynn, Mack, Maggard, Mason, McElroy, Moberly, Mullinix, Napier, Nelson, Noe, Noland, Nunn, Overstreet, Palumbo, Pritchett, Rapier, Ravenscraft, Reinhardt, Richards, Richardson, Ridley, Riggs, Riner, Sanders, Scorsone, B. Smith, R. Smith, Toby, Todd, Turner, Walker, Ward, Williams, Worthington, Yates, Zimmerman.

The motion that **HB 504** be laid on the Clerk's Desk was rejected.

On the roll call on the passage of **HB 504** by way of Committee Substitute as amended the vote was: Yeas 92, Nays 4. (See March 5, 1992 roll call on **HB 504** - Appendix.)

HB 504, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Arnold moved that the vote by which **HB 504**, by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Floor Amendments (Continued)

Floor Amendment No. 1 to **HB 462**, by Representative Overstreet:

Amend printed copy of **HB 462** as follows:

On page 3, after line 5, by adding the following new section:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 413 IS CREATED TO READ AS FOLLOWS:

(1) It is hereby declared to be the public policy of the Commonwealth to protect the rights of corporations, partnerships, joint ventures, persons, and business entities of all types with regard to discharges.

(2) Notwithstanding any provision of the Kentucky Revised Statutes to the contrary, no corporation, partnership, joint venture, person, sole proprietor, unincorporated association, or business entity of any type, shall be subject to suit, action, prosecution, claim, damages, or complaint for having in its employ, under contract, on or about its person, or on its payroll, whether or not so denominated or openly disclosed or concealed, an agent, officer, object, or employee having primary responsibility for or the principal purpose of discharging other agents, officers, employees, objects, contractors or other entities.

(3) Nothing in this section shall be deemed to modify the existing law relating to the circumstances under which agents, officers, employees, or contractors of a person or business may be lawfully discharged.".

Floor Title Amendment to **HB 462**, by Representative Overstreet:

Amend printed copy of **HB 462** as follows:

By amending the title to read:

"AN ACT relating to employee discharges."

Floor Amendment No. 1 to **HB 206**, by Representative Gray:

Amend printed copy of **HB 206** as follows:

On page 25, after line 20, by inserting:

"Section 11. KRS 132.017 is amended to read as follows:

(1) (a) That portion of a tax rate levied by an ordinance, order, resolution, or motion of a county fiscal court, district board of education, or legislative body of a city, urban-county government, or other taxing district subject to recall as provided for in KRS 68.245, 132.023, 132.027 and 160.470, shall go into effect forty-five (45) days after its passage. If during the forty-five (45) days next following the passage of the order, resolution, or motion, a petition signed by a number of registered and qualified voters equal to ten percent (10%) of the voters voting in the last presidential election is presented to the county clerk or his authorized deputy protesting against passage of the ordinance, order, resolution, or motion, the ordinance, order, resolution,

or motion shall be suspended from going into effect until after the election referred to in subsection (2) of this section. When the petition is presented to the county clerk or his authorized deputy, the officer shall immediately notify the presiding officer of the appropriate fiscal court, district board of education, or legislative body of a city, [~~or~~] urban-county government, or other taxing district, as the case may be. Each sheet of the petition shall contain the names, residence addresses, and Social Security numbers or dates of birth of voters in but one (1) voting precinct, and each sheet shall state the name, number, or designation of the precinct and, where applicable, the name, designation, or number of the district or ward wherein the precinct is situated. The county clerk shall make the conclusive determination of whether the petition contains enough signatures of qualified voters to suspend the effect of the order or resolution.

(b) The county fiscal court, district board of education, or legislative body of a city, urban-county government, or other taxing district may cause the cancellation of the election by reconsidering the ordinance, order, resolution, or motion and amending the ordinance, order, resolution, or motion to levy a tax rate which will produce no more revenue from real property, exclusive of revenue from new property as defined in KRS 132.010, than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property. The action by the county fiscal court, district board of education, legislative body of a city, urban-county government, or other taxing district shall be valid only if taken within fifteen (15) days following the date of the presentation of the petition.

(2) (a) If an election is necessary under the provisions of subsection (1) of this section, the county fiscal court or legislative body of a city, urban-county government, or other taxing district shall cause to be submitted to the voters of the county, ***city,*** district, or urban county at the next regular election, the question as to whether the property tax rate shall be levied***, if the fiscal court or legislative body files a certified copy of its ordinance, order, resolution, or motion with the county clerk not later than the first Tuesday in August preceding the next regular election***. The question shall be so framed that the voter may by his vote answer "for" or "against." [~~If a majority of the votes cast upon the question oppose its passage, the order, resolution, or motion shall not go into effect. If a majority of the votes cast upon the question favor its passage, the order, resolution, or motion shall go into effect.~~]

(b) If an election is necessary for a school district under the provisions of subsection (1) of this section, the district board of education ***shall*** [~~may~~] cause to be submitted to the voters of the district ***at the next primary or regular election*** [~~in a called common school election not less than twenty (20) days nor more than thirty (30) days from the date the signatures on the petition are validated by the county clerk, or at the next regular election, at the option of the district board of education~~], the question as to whether the property tax rate shall be levied***, if the signatures on the petition are validated by the county clerk not later than the last Tuesday in January preceding the primary election or the first Tuesday in August preceding a regular election, as may be applicable***. The question shall be ***framed*** so [~~framed~~] that the voter may by his vote answer "for" or "against."

(c) If a majority of the votes cast upon the question oppose its passage, the ***ordinance,*** order, resolution, or motion shall not go into effect, and the property tax rate which will produce four percent (4%) more revenues from real property, exclusive of revenue from new property as defined in KRS 132.010, than the amount of revenue produced by the compensating tax rate defined in KRS 132.010, shall be levied without further approval by the county fiscal court, district board of education, or legislative body of a city, urban-county government, or other taxing district, as the case may be. If a majority of the votes cast upon the question favor its passage, the ***ordinance,*** order, resolution, or motion shall go into effect. [~~The cost of a called common school election shall be borne by the school district causing the election to be held.~~]

(3) Notwithstanding any statutory provision to the contrary, if a city, county, ***urban county,*** school district, or other taxing district has not established a final tax rate as of September 15, due to the recall provisions of KRS 68.245, 132.017, 132.027 or 160.470, regular tax bills shall be prepared as required in KRS 133.220 for all districts having a tax rate established by that date; and a second set of bills shall be prepared and collected in the regular manner, according to the provisions of KRS Chapter 132, upon establishment of final tax rates by the remaining districts.

(4) If a second billing is necessary, the collection period shall be extended to conform with the second billing date.

(5) All costs associated with the second billing shall be paid by the taxing district or districts requiring the second billing.

Section 12. KRS 212.080 is amended to read as follows:

A number of legal voters equal to ten percent (10%) of the total number of votes cast at the last general election of any county may file their petition with the county judge/executive asking that the proposition of creating, establishing, and maintaining a county health department be submitted to the voters of the county at the next general election held in the county [~~that does not occur within less than thirty (30) days after filing the petition~~]. Each voter signing the petition shall state his full name and address. At the time of filing the petition the petitioners shall deposit with the county judge/executive a sufficient sum of money to pay the cost of publication, as required by this section. Upon the filing of the petition with the county judge/executive, he shall enter an order directing the publication in full of the petition, pursuant to KRS Chapter 424, and shall further enter an order directing the county clerk to have placed before the voters at ***the next general*** [~~such~~] election the question, "Are you in favor of establishing a county department of health?" ***The question shall appear on the ballot at the next general election if the order by the county judge/executive is presented to the county clerk not later than the first Tuesday in August preceding the next general election.*** The voter shall indicate a "Yes" or a "No" vote. If the majority of those voting on the proposition vote "Yes," a department of health for the county shall be created, established and maintained. The vote shall be canvassed and returned by the board of election commissioners for the general election. If the election is contested, the members of the fiscal court of the county shall be made defendants."

Floor Amendment No. 4 to **HB 485**, by Representative Farrow:

Amend printed copy of **HB 485** as follows:

On page 7, line 25, after "(1)" insert: "***Based on a thorough wage survey conducted in every county of a locality, the average basic hourly rate for each classification of both licensed and unlicensed laborers, workmen, and mechanics who work in that locality. However, this wage component of the prevailing wage for each classification shall not exceed the highest regional basic hourly rate for each classification according to the latest data available from the Department for Employment Services in the Cabinet for Human Resources; and***"; and

On page 7, line 25, place an opening bracket before the word "The" and strike through that word and the remainder of that line; and

On page 7, line 26, delete the brackets on that line and strike through all text not already stricken through; and

On page 8, strike through lines 1 through 12 in their entirety and place a closing bracket after the word "and" on line 12; and

On page 10, place an opening bracket before "(2)" on line 5 and strike through lines 5 through 8 in their entirety; and

On page 10, line 9, delete the word "***The***" and the brackets on that line and strike through all material not already stricken through; and

On page 10, line 10, strike through the text on that line and place a closing bracket after the period; and

On page 10, line 11, bracket and strike through "(3)" and insert in lieu thereof "***(2)***"; and

On page 10, line 17, after the period place an opening bracket before "The" and strike through "The"; and

On page 10, line 18, through page 11, line 17, by deleting all underlined material and removing all brackets and striking through all text that is not already stricken through and placing a closing bracket after the period on page 11, line 17; and

On page 11, line 18, bracket and strike through "(4)" and insert in lieu thereof "***(3)***"; and

On page 12, line 2, bracket and strike through "(5)" and insert in lieu thereof "***(4)***".

Floor Amendment No. 5 to **HB 485**, by Representative Farrow:

Amend printed copy of **HB 485** as follows:

On page 8, line 12, bracket and strike through "," and insert before that comma the following "***. However, the wage component of the prevailing wage for each classification, referred to in this subsection, shall not exceed the highest regional basic hourly rate for each classification according to the latest data available from the Department for Employment Services in the Cabinet for Human Resources;***"

On page 10, line 17, after the period insert "***In no case shall the commissioner set the wage component of the prevailing wage for each classification of laborers, workmen, and mechanics, referred to in KRS 337.505(1), in excess of the highest regional basic hourly rate for each classification according to the latest data available from the Department for Employment Services in the Cabinet for Human Resources.***"

Floor Amendment No. 1 to **HB 241**, by Representative Sheehan:

Amend printed copy of **HB 241** as follows:

On page 22, line 14, by placing an opening bracket before and striking through the colon; and

on page 22, line 15, by striking through "(a)" and placing a closing bracket thereafter; and

on page 22, line 17, to place a bracket "[" before the comma "," and strike through the comma and the remainder of the line; and

on page 22, line 18 to 22, to strike through the same and to place a bracket "]" before the period "."; and

on page 23, line 10, to place a bracket "[" in front of the colon ":" and to strike through the colon; and

on page 23, lines 11 through 17, to strike through the same; and

on page 23, line 18, to place a bracket "]" after "(b)" and to strike through the same.

Floor Amendment No. 2 to **HB 241**, by Representative Sheehan:

Amend printed copy of **HB 241** as follows:

On page 21, line 5, by bracketing and striking through "(l)"; and

On page 21, line 8, following "to" to add "***the limitation that the evidence may refer only to general reputation in the community***" and to place a bracket "[" before "these" and to strike through the remainder of the line; and

on page 21, lines 9 through 13, to strike through all existing material; and

on page 21, line 13, to delete "***, by***"; and

on page 21, lines 14 and 15, to delete the same; and

on page 21, line 16, to delete "***422A.0609 (KRE609)***" and the brackets, but not the strike throughs and to extend the strike through to encompass the period "."; and

on page 21, lines 17 through 26, to strike through the same,; and

on page 22, lines 1 through 6, to strike through the same; and

on page 22, line 7, to place a bracket "]" before the period "." and strike through the text preceding it on that line.

Floor Amendment No. 3 to the Committee Substitute to **HB 241**, by Representative Sheehan:

Amend printed copy of **HB 241/HCS** as follows:

On page 21, line 9, by bracketing and striking through "(l)"; and

on page 21, line 12, following "to" to add "***the limitation that the evidence may refer only to general reputation in the community***" and to place a bracket "[" before "these" and to strike through the remainder of the line; and

on page 21, lines 13 through 17, to strike through all existing material; and

on page 21, line 17, to delete "***, by***"; and on page 21, lines 18 and 19, to delete the same; and

on page 21, line 20, to delete "***422A.0609 (KRE609)***" and the brackets, but not the strike throughs and to extend the strike through to encompass the period "."; and

on page 21, lines 21 through 26, to strike through the same,; and

on page 22, lines 1 through 10, to strike through the same; and

on page 22, line 11, to place a bracket "]" before the period "." and strike through the text preceding it on that line.

Motions, Petitions and Communicaitons

Representative Stumbo moved that the rules be suspended for Introduction of Bills and Resolutions, Report of Committees, Posting of Bills and Resolutions for Consideration and to allow co-sponsors. Agreed.

Introduction of Bills and Resolutions (Continued)

HB 889, by Representatives Clarke and Callahan: AN ACT relating to school finance.

HB 890, by Representative Crupper: AN ACT relating to wood and wood waste.

HB 891, by Representative Crupper: AN ACT relating to electric generation with sawdust.

HB 892, by Representative Kerr: AN ACT relating to the duties of the adjutant general.

HB 893, by Representative Napier: AN ACT relating to corrections matters.

HB 894, by Representative Stumbo: AN ACT relating to fish and wildlife.

HB 895, by Representative J. Harper: AN ACT relating to pollution.

HB 896, by Representative Johnson: AN ACT relating to independent adoptions.

HB 897, by Representative R. Smith: AN ACT relating to scenic corridors.

HB 898, by Representative Gray: AN ACT relating to health.

HB 899, by Representative Curd: AN ACT relating to abandoned property.

HB 900, by Representative Palumbo: AN ACT relating to employment readiness.

HB 901, by Representative Mason: AN ACT relating to property taxation.

HB 902, by Representative Palumbo: AN ACT relating to charitable solicitations.

HB 903, by Representative Palumbo: AN ACT relating to prescription drugs.

HB 904, by Representative Strong: AN ACT relating to prescription drugs.

HB 905, by Representative Cyrus: AN ACT relating to motorcycle safety education, and raising revenues incidental thereto.

HB 906, by Representative Cyrus: AN ACT relating to police and firefighter retirement in cities of the second class.

HB 907, by Representative Little: AN ACT relating to vocational education.

HB 908, by Representative LeMaster: AN ACT relating to the Board of Claims.

HB 909, by Representative LeMaster: AN ACT relating to crimes and punishments.

HB 910, by Representative LeMaster: AN ACT relating to child support.

HB 911, by Representative LeMaster: AN ACT relating to workers' compensation.

HB 912, by Representative Burch: AN ACT relating to the Unified Juvenile Code.

HB 913, by Representative Donnermeyer: AN ACT relating to planning and zoning.

HB 914, by Representative T. Smith: AN ACT relating to rural electric cooperatives.

HB 915, by Representative T. Smith: AN ACT relating to insurance.

HB 916, by Representative Stumbo: AN ACT relating to natural gas service.

HB 917, by Representative Donnermeyer: AN ACT relating to pension boards.

HB 918, by Representative Deskins: AN ACT relating to civil damages.

HB 919, by Representative R. Smith: AN ACT relating to fish and wildlife.

HB 920, by Representative R. Smith: AN ACT relating to fish and wildlife.

HB 921, by Representative Lear: AN ACT relating to the community development grant fund.

HB 922, by Representative Deskins: AN ACT relating to teachers retirement.

HB 923, by Representative Richards: AN ACT proposing to amend the Constitution of Kentucky relative to local government.

HB 924, by Representatives Williams, Crupper, J. Harper and Reinhardt: AN ACT relating to aviation.

HB 925, by Representative R. Smith: AN ACT relating to state government.

HB 926, by Representative Kerr: AN ACT relating to administrative regulations.

HB 927, by Representative Farley: AN ACT relating to health care and health insurance.

HB 928, by Representative Castleman: AN ACT relating to generic drugs.

HB 929, by Representative Castleman: AN ACT relating to prescription drugs.

HB 930, by Representative Burch: AN ACT relating to family care leave.

HB 931, by Representative Burch: AN ACT relating to the protection of consumers of health services.

HB 932, by Representative Burch: AN ACT relating to missing children.

HB 933, by Representatives Callahan and Kerr: AN ACT relating to nonresident pupils.

HB 934, by Representatives Williams and Gee: AN ACT relating to cemeteries and funeral homes.

HB 935, by Representative Ackerson: AN ACT relating to the registration of sex offenders.

HB 936, by Representative Wayne: AN ACT relating to air pollution control districts.

HB 937, by Representative Barrows: AN ACT relating to nonresident contractors.

HB 938, by Representative Deskins: AN ACT relating to carrying concealed firearms.

HB 939, by Representative Deskins: AN ACT relating to surface mining.

HB 940, by Representative Deskins: AN ACT relating to oil and gas.

HB 941, by Representative Williams: AN ACT relating to instruction permits.

HB 942, by Representative Williams: AN ACT relating to zoning regulation enforcement.

HB 943, by Representative Sanders: AN ACT relating to limitation of actions.

HB 944, by Representative Northup: AN ACT relating to debt issuance.

HB 945, by Representative Farley: AN ACT relating to police and firefighter retirement in cities of the second class.

HB 946, by Representative Farley: AN ACT relating to retiree benefits in cities of the second class.

HB 947, by Representatives Williams and Walker: AN ACT relating to family privacy and access to materials and records.

HB 948, by Representative Hancock: AN ACT relating to state personnel.

HCR 171, by Representative Richards: A CONCURRENT RESOLUTION directing the 1992-93 Interim Task Force on Small Business to study the small business climate in Kentucky.

HR 172, by Representative Scorsone: A RESOLUTION in honor of Scott Hallam.

HR 173, by Representative Heleringer: A RESOLUTION adjourning in honor of Chief Master Sergeant Roy Lee Adams upon his retirement from the Kentucky Air National Guard.

HCR 174, by Representative Northup: A CONCURRENT RESOLUTION directing the Legislative Research Commission to establish a special task force on nonpublic education.

HCR 175, by Representative Lear: A CONCURRENT RESOLUTION directing the Legislative Research Commission to identify and evaluate a method to define and estimate surplus labor rate.

HCR 176, by Representative Ark: A CONCURRENT RESOLUTION creating a task force to study the salaries of all elected officials in the Commonwealth, excluding city officials.

Posting of Bills and Resolutions for Consideration (Continued)

The Clerk announced that the following Bills have been posted for Committee consideration:

Natural Resources and Environmental Protection: **HB 716**

Business Organizations and Professions: **HB 641, HB 730, HB 753, SB 29**

Agriculture and Small Business: **HB 801**

Judiciary: **HB 602, HB 603, HB 744, HB 631, HB 509**

Cities: **HB 830**

The Clerk announced that the following Bill has been withdrawn from Committee consideration:

Health and Welfare: **HB 688**

Report of Committees (Continued)

The Committee on Health and Welfare reported **HB 319, HB 456**, with Committee Substitute, **HB 637**, with Committee Amendments attached thereto, **HB 683, HB 686**, with Committee Amendment attached thereto, **HB 690, HB 693** and **SJR 67** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 319, AN ACT relating to emergency medical services.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 211.952 is amended to read as follows:

The Cabinet for Human Resources shall maintain a program for the planning, development, improvement, and expansion of emergency medical services throughout the state utilizing, among other factors, the system components described in Public Law 93-154 (Emergency Medical Services Systems Act of 1973). This program shall include but need not be limited to:

(1) Delineation, by administrative order of the secretary, of the geographic boundaries of regional emergency medical services systems.

(2) Promulgation of administrative regulations providing for:

(a) [~~Administration of regional emergency medical services systems;~~

~~(b)~~] Composition of regional emergency medical services ***advisory*** [~~systems~~] boards ***to serve in an advisory capacity to the State Emergency Medical Services Advisory Committee***;

(b)[~~(c)~~] Terms of office of regional emergency medical services ***advisory*** [~~system~~] board members;

(c)[~~(d)~~] Appointment of regional emergency medical services ***advisory*** [~~system~~] board members; and

(d)[~~(e)~~] Such other [~~administrative~~] matters relating to [~~the operation of~~] regional emergency medical services systems as may be necessary.

(3) [~~Designation of regional emergency medical services system corporations as management authority for a regional emergency medical services system, upon due consideration of applications for such designation.~~

~~(4)~~] Provision of technical assistance to regional emergency medical services ***advisory*** [~~systems~~] boards, units of local government, and others in planning for the development, coordination, and monitoring of emergency medical services [~~or the provisions of emergency medical services by the board or by others~~].

(4)[~~(5)~~] Issuance of a format for [~~the application for~~] the development of regional emergency medical services plans [~~to be used to determine methods of appropriation and allocation of funds for emergency medical services programs, personnel, and equipment~~].

(5)[~~(6)~~] Application for, receipt of, and disposition of federal, state, or private funds by grant, appropriation, donation, or otherwise for emergency medical services programs, personnel and equipment.

(6)[~~(7)~~] Awarding of funds to [~~regional emergency medical services systems~~] to implement specific objectives delineated in regional emergency medical services [~~system~~] plans, including but not limited to, assistance to local governments for their provision of ambulance service; and

(7)[~~(8)~~] Development, monitoring, [~~operation,~~] and encouragement of such other projects and programs which may be of benefit to emergency medical services in the Commonwealth.

Section 2. KRS 211.954 is amended to read as follows:

A matching fund program is hereby created for the purpose of assisting local ambulance providers in the purchases of ambulances and equipment. The fund shall consist of such moneys as may be appropriated by the General Assembly or may be obtained from other sources for the fund as provided in this section and KRS 211.956:

(1) Application and justification of need for moneys from the fund shall be based upon the state emergency medical services plan's priorities;

(2) Application for moneys from the fund may be made to the Cabinet for Human Resources by any city or county [~~with the assistance of the applicable emergency medical services system~~] based upon guidelines established by the Cabinet for Human Resources;

(3) Moneys from the fund will be provided on a fifty percent (50%) state and fifty percent (50%) local funds matching basis for any ambulance or other item of equipment desired to be procured. No county, including all grants to cities within the county, shall receive more than ***twenty-five*** [~~twelve~~] thousand five hundred dollars ***($25,500)*** [~~($12,500)~~] from the fund per year;

(4) No funds awarded pursuant to this section shall be used for any other purpose than the purpose for which they were awarded. Funds remaining unexpended one year from the date of the award shall lapse and shall be returned to the fund by the recipient city or county;

(5) Funding periods shall coincide with the fiscal year as established by the Cabinet for Human Resources; ***and***

(6) Each ambulance or item of equipment purchased shall meet or exceed, if a standard has been set for the particular item of equipment, the standards set by the Cabinet for Human Resources.

Section 3. KRS 211.956 is amended to read as follows:

A matching fund program is hereby created for the purpose of assisting city and county governments in providing for an adequate number of trained emergency medical service personnel in those cities or counties where other personnel funding resources are unavailable or inadequate and where expenditures for ambulance services exceed five percent (5%) of the city or county general fund budget:

(1) Moneys from the fund may be provided to a city or county government for emergency medical services personnel only:

(a) When the number of personnel operating the ambulance service is consistent with the state emergency medical services plan;

(b) When the revenue of the city or county (as appropriate), including ambulance service district tax revenue and other income is insufficient to meet the personnel needs of the ambulance service; and

(c) When the provision of ambulance service meeting the personnel guidelines would require more than five percent (5%) of the general fund budget of the city or county***, excluding all revenue generated by the ambulance service which may be deposited into the general fund.***

(2) Moneys from the fund shall be used solely to match expenditures which exceed the five percent (5%) limit and may not be used to supplement expenditures below the five percent (5%) limit.

(3) If the city or county enacts an ambulance service district tax as provided for in KRS Chapter 108 then the revenues raised by that tax may be used as a set-off against the [~~five percent (5%) of the~~] general fund requirement on a one for one [~~direct reduction~~] basis. [~~Thus, if the ambulance service district tax raises revenues equalling one percent (1%) of the general fund budget then the amount necessary from the general fund budget shall be four percent (4%) and so forth up to the required limit of five percent (5%).~~]

(4) Application for money from the fund may be made to the Cabinet for Human Resources by any city or county [~~with the assistance of the regional emergency medical service system~~].

(5) Moneys from the fund will be provided on a fifty percent (50%) state and fifty percent (50%) local funds matching basis for emergency medical services personnel salaries. Local match shall be in money and in-kind matching is prohibited. No county, including all grants to cities within the county, shall receive more than forty thousand dollars ($40,000) from the fund per year.

(6) No funds awarded pursuant to this section shall be used for any other purpose than the purpose for which they were awarded. When the actual expenditures from the city or county general fund budget for ambulance service do not meet or exceed five percent (5%) of the general fund budget of the city or county for that year, then the matching money shall be refunded to the Cabinet for Human Resources. Funds remaining unexpended one (1) year from the date of the award shall lapse and shall be returned to the fund by the city or county.

(7) Funding periods shall coincide with the fiscal year as established by the Cabinet for Human Resources.

Section 4. KRS 211.958 is amended to read as follows:

In any [~~city or~~] county where at least fifty percent (50%) of ***emergency*** ambulance ***runs are performed by volunteers*** [~~personnel are volunteers or in which at least fifty percent (50%) of the ambulance services are operated by volunteers~~] the [~~city or~~] county ***or cities within the county*** may elect to apply up to forty thousand dollars ($40,000) of the amount for which they are eligible under KRS 211.956 to increase the amount of money available for purposes of KRS 211.954.

Section 5. KRS 216B.410 is amended to read as follows:

All conforming ambulance services, but no non-conforming ambulance services, shall be required to keep adequate reports and records to be maintained at the ambulance base headquarters, and to be available for periodic review as deemed necessary by the board. Required records and reports are as follows:

(1) Two (2) copies of the Kentucky emergency medical service ambulance run report form, one (1) copy to be kept in the files of the ambulance services and one (1) copy to be submitted to the hospital to which the patient is transported and maintained in the hospital's files***, or ambulance run report information compiled and disseminated by electronic means approved by the Cabinet for Human Resources***;

(2) Employee records, including a resume of each employee's training and experience and evidence of current certification; and

(3) Health records of all drivers and attendants including records of all illnesses or accidents occurring while on duty.

HB 456. AN ACT relating to health care decisions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 311.622 is amended to read as follows:

(1) The General Assembly finds that all adults have the fundamental right to control the decisions relating to their own medical care, including the decision to have medical or surgical means or procedures calculated to prolong their lives provided, withheld, or withdrawn.

(2) In order that the dignity, privacy, and sanctity of adults with terminal conditions ***or who are permanently unconscious*** may be respected even after they are no longer able to participate actively in decisions concerning their medical care, the General Assembly hereby declares that the laws of the Commonwealth of Kentucky shall recognize the right of an adult to make a written declaration pursuant to the provisions of KRS 311.626, instructing the adult's physician to withhold or withdraw life-prolonging treatment in the event such person is diagnosed as having a terminal condition ***or being permanently unconscious***.

Section 2. KRS 311.624 is amended to read as follows:

As used in KRS 311.622 to 311.644:

(1) "Adult" means a person eighteen (18) years of age or older and who is of sound mind.

(2) "Attending physician" means the physician who has primary responsibility for the treatment and care of the patient.

(3) "Declaration" means a witnessed document in writing, voluntarily made by the declarant in accordance with the requirements of KRS 311.626.

(4) "Health care facility" means any institution, place, building, agency, or portion thereof, public or private, whether organized for profit or not, used, operated, or designed to provide medical diagnosis, treatment, nursing, rehabilitative, or preventive care, and licensed pursuant to KRS Chapter 216B.

(5) "Life-prolonging treatment" means any medical procedure, treatment, or intervention which:

(a) Utilizes mechanical or other artificial means to sustain, prolong, restore, or supplant a spontaneous vital function [~~or is otherwise of such a nature as to afford a patient no reasonable expectation of recovery from a terminal condition~~]; and

(b) When ***administered*** [~~applied~~] to a patient [~~in a terminal condition,~~] would serve only to prolong the dying process. "Life-prolonging treatment" shall not include the administration of medication or the performance of any medical procedure deemed necessary to alleviate pain [~~or for nutrition or hydration~~].

(6) ***"Permanently unconscious" means a condition which, to a reasonable degree of medical probability, as determined solely by the qualified patients attending physician and one (1) other physician, is characterized by a total loss of cerebral cortical functions on clinical examination indicative of consciousness or behavioral interaction with the environment.***

(7) "Physician" means a person licensed to practice medicine in the Commonwealth of Kentucky.

(8)[~~(7)~~] "Qualified patient" means an adult patient [~~of sound mind~~] who has:

(a) Made a declaration in accordance with KRS 311.626;

(b) Been diagnosed by the attending physician and one (1) other physician as having a terminal condition ***or being permanently unconscious***, with said condition noted by both in the patient's medical record; and

(c) Who is not known to be pregnant, provided that for any adult woman of child-bearing age who has made a declaration and been diagnosed in writing as having a terminal condition, the attending physician shall cause a test to be made to determine if the woman is pregnant.

(9)[~~(8)~~] "Terminal condition" means a condition caused by injury, disease, or illness which, to a reasonable degree of medical probability, as determined solely by the qualified patient's attending physician and one (1) other physician, is incurable and irreversible and will result in death within a relatively short time, and where the application of life-prolonging treatment would serve only to artificially prolong the dying process.

Section 3. KRS 311.626 is amended to read as follows:

(1) An adult ***of sound mind*** may[~~, prior to or after having been diagnosed as having a terminal condition,~~] make a written declaration directing the withholding or withdrawal of life-prolonging treatment, ***nutrition, hydration, or other artificially provided nourishment or fluids.***

(2) Except as provided in KRS 311.634, a declaration made pursuant to this section shall be honored by a declarant's family, regular family physician or attending physician, and any health care facility of or in which the declarant is a patient. A declaration made pursuant to this section ***may*** [~~shall~~] be substantially in the following form, and may include other specific directions. Should any other specific directions be held by a court of appropriate jurisdiction to be invalid, such invalidity shall not affect the declaration.

Declaration

Declaration made this ________ day of __________, _____ (month, year). I, ____________________, willfully and voluntarily make known my desire that my dying shall not be artificially prolonged under the circumstances set forth below, and do hereby declare:

If at any time I should have a terminal condition and my attending and one (1) other physician in their discretion, have determined such condition is incurable and irreversible and will result in death within a relatively short time ***or if my attending physician and one (1) other physician in their discretion, have determined that I have become permanently unconscious***, and where the application of life-prolonging treatment would serve only to artificially prolong the dying process, I direct that such treatment be withheld or withdrawn, and that I be permitted to die naturally with only the administration of medication or the performance of any medical treatment deemed necessary to alleviate pain [~~or for nutrition or hydration~~].

MY WISHES REGARDING THE PROVISION OF ARTIFICIAL NOURISHMENT AND FLUIDS HAVE BEEN INDICATED BY CHECKING AND INITIALING THE APPROPRIATE LINE BELOW. BY CHECKING AND INITIATING THE APPROPRIATE LINE, I SPECIFICALLY:

Authorize the withholding or withdrawal of artificially provided food, water, or other artificially provided nourishment or fluids.

DO NOT authorize the withholding or withdrawal of artificially provided food, water, or other artificially provided nourishment or fluids.

ORGAN DONOR CERTIFICATION: Notwithstanding my previous declaration relative to the withholding or withdrawal of life-prolonging treatment or artificial nourishment and fluids, if I have indicated below, or in a properly executed separate document, my desire to donate any of my organs or parts to any person or institution, and if I have been declared dead in accordance with the provisions of KRS 446.400, I direct my attending physician to maintain my body on artificial support only for the period of time necessary to maintain the viability of, and to remove, any organs or parts that I have donated. I have indicated my specific desires regarding the donation of any of my organs or parts by checking and initialing the appropriate lines below:

I WANT TO GIVE:

__________ ***My body;***

__________ ***Any needed organs or parts;***

__________ ***The following specific organs and parts:***

____

To:

__________ ***The following person or institution:***

____

_________ *The named physician, hospital, storage bank, or other medical institution:*

____

For the following purposes:

_________ *Any purpose authorized by law.*

_________ *Medical Education.*

_________ *Transportation.*

_________ *Research.*

_________ *Therapy for another person.*

_________ *I DO NOT desire to donate any of my organs or parts to any person or institution for any purpose.*

In the absence of my ability to give directions regarding the use of such life-prolonging treatment, it is my intention that this declaration shall be honored by my attending physician and my family as the final expression of my legal right to refuse medical or surgical treatment and I accept the consequences of such refusal.

If I have been diagnosed as pregnant and that diagnosis is known to my attending physician, this directive shall have no force or effect during the course of my pregnancy.

I understand the full import of this declaration and I am emotionally and mentally competent to make this declaration.

Signed this _____ day of _________ , 19 ____.

Signature and address of the living will declarant.

In our joint presence, the living will declarant, who to the best of our knowledge is of sound mind and eighteen (18) years of age, or older, voluntarily dated and signed this writing or directed it to be dated and signed for the declarant.

Signature and address of witness.

Signature and address of witness.

OR

STATE OF KENTUCKY)

_____________________ County)

Before me, the undersigned authority, came the living will declarant who to the best of my knowledge is of sound mind and eighteen (18) years of age, or older, and acknowledged that he voluntarily dated and signed this writing or directed it to be signed and dated as above.

Done this _____ day of _________ , 19 ____

Signature of Notary Public or other officer.

Date commission expires: ____________

[~~STATE OF KENTUCKY)~~

~~)Sct.~~

~~COUNTY OF~~ ________ ~~)~~

~~Before me, the undersigned authority, on this day personally appeared~~ ____________~~, Living Will~~

~~Declarant, and~~ ______________ ~~and~~ ______________~~, known to me to be witnesses whose names are each signed to the foregoing instrument, and all these persons being first duly sworn,~~ ______________~~, Living Will Declarant, declared to me and to the witnesses in my presence that the instrument is the Living Will Declaration of the declarant and that the declarant has willingly signed and that such declarant executed it as a free and voluntary act for the purposes therein expressed; and each of the witnesses stated to me, in the presence and hearing of the Living Will Declarant, that the declarant signed the declaration as witness and to the best of such witness's knowledge, the Living Will Declarant was eighteen (18) years of age or over, of sound mind and under no constraint or undue influence.~~

____

~~Living Will Declarant~~

____

~~Witness~~

____

~~Address~~

____

~~Witness~~

____

~~Address~~

~~Subscribed, sworn to and acknowledged before me by~~ ______________~~, Living Will Declarant, and subscribed and sworn before me by~~ ______________ ~~and~~ ______________~~, witnesses, on this the~~ ______ ~~day of~~ ________ ~~(year).~~

____

~~Notary Public State At Large~~

____

~~Date my commission expires~~]

(3) A written declaration shall be signed by the declarant in the presence of two (2) subscribing witnesses ***or in the presence of a notary public or other person authorized to administer oaths without restriction as to employment or other relationship to declarant***. In no instance shall any of the following be a witness to any declaration made under this section:

(a) A blood relative [~~who would be a beneficiary~~] of the declarant; or

(b) A beneficiary of the declarant under descent and distribution statutes of the Commonwealth; or

(c) An employee of a health care facility in which the declarant is a patient; or

(d) An attending physician of the declarant; or

(e) Any person directly financially responsible for the declarant's health care.

Section 4. KRS 311.632 is amended to read as follows:

(1) A health care facility, physician, or other person acting under the direction of a physician shall not be subject to criminal prosecution or civil liability or be deemed to have engaged in unprofessional conduct as a result of the withholding or the withdrawal of life-prolonging treatment ***or artificially provided food, water, or other artificially provided nourishment or fluids*** from a patient in a terminal condition ***or who is permanently unconscious*** in accordance with KRS 311.622 to 311.644. A person who authorizes the withholding or withdrawal of life-prolonging treatment ***or artificially provided food, water, or other artificially provided nourishment or fluids*** from a patient in a terminal condition ***or who is permanently unconscious*** in accordance with a declaration shall not be subject to criminal prosecution or civil liability for such action.

(2) The provisions of this section shall apply unless it is shown by ***clear and convincing*** [~~a preponderance of the~~] evidence that the person authorizing or effectuating the withholding or withdrawal of life-prolonging treatment ***or artificially provided food, water, or other artificially provided nourishment or fluids*** did not, in good faith, comply with the provisions of KRS 311.622 to 311.644. A declaration made in accordance with KRS 311.626 shall be presumed to have been made voluntarily and validly executed unless the attending physician or health care facility has actual knowledge to the contrary.

Section 5. KRS 311.634 is amended to read as follows:

(1) Where an individual has been diagnosed as having a terminal condition ***or being permanently unconscious*** and has executed a declaration, prior to or at the time of admission to a health care facility, the individual or the family or guardian of the individual shall inform the attending physician and health care facility of the existence of a declaration. An attending physician or health care facility which refuses to comply with the declaration of a qualified patient shall immediately inform the patient and the family or guardian of the patient of such refusal. No physician or health care facility which refuses to comply with the declaration of a qualified patient shall impede the transfer of such patient to another physician or health care facility which will comply with the declaration. In cases where the patient, the family, or the guardian of the patient, has requested and authorized a transfer, the transferring attending physician and health care facility shall supply the patient's medical records and other information or assistance, as may be medically necessary for the continued care of the patient, to the receiving physician and health care facility.

(2) No physician, nurse, staff member, or employee of a public or private hospital, or employee of a public or private health care facility, who shall state in writing to such hospital or health care facility the person's objection to complying with the declaration of a qualified patient on moral, religious, or professional grounds, shall be required to or held liable for refusal to comply with the declaration of a qualified patient as long as the physician, nurse staff member, or employee complies with the requirements of subsection (1) of this section regarding patient notification and patient transfer.

(3) It shall be unlawful discriminatory practice for any person to impose penalties or take disciplinary action against or deny or limit licenses, certifications, degrees, or other approvals or documents of qualification to any physician, nurse staff member, or employee who refuses to comply with the declaration of a qualified patient and provided the person complies with the provisions of subsections (1) and (2) of this section.

Section 6. KRS 311.638 is amended to read as follows:

(1) The withholding or withdrawal of life-prolonging treatment ***or artificially provided food, water, or other artificially provided nourishment or fluids*** from a qualified patient in accordance with the provisions of KRS 311.622 to 311.644 shall not, for any purpose, constitute a suicide. Nor shall the making of a declaration pursuant to KRS 311.626 affect the sale, procurement, or issuance of any policy of life insurance, nor shall it be deemed to modify the terms of an existing policy of life insurance. No policy of life insurance shall be legally impaired or invalidated by the withholding or withdrawal of life-prolonging treatment ***or artificially provided food, water, or other artificially provided nourishment or fluids*** from an insured qualified patient, notwithstanding any term of the policy to the contrary.

(2) No physician, health care facility, or other health care provider shall require any person to make a declaration as a condition of receiving health care services. No contract for health insurance, or disability insurance, or credit health insurance or insurance under any nonprofit hospital, medical-surgical, dental and health service corporation, or any self-insured private employer group plan, or any health maintenance organization as provided under KRS Chapter 304 shall require any person to make a declaration as a condition of being insured for health care services; neither shall any of the aforementioned health insurance contracts or plans be legally impaired or invalidated in any manner by the making of a declaration or the withholding or withdrawal of life-prolonging treatment ***or artificially provided food, water, or other artificially provided nourishment or fluids*** from an insured qualified patient, notwithstanding any term of the policy to the contrary.

Section 7. KRS 311.640 is amended to read as follows:

(1) KRS 311.622 to 311.644 creates no presumption concerning the intention of an adult who has revoked or has not executed a declaration with respect to the use, withholding, or withdrawal of life-prolonging treatment ***or artificially provided food, water, or other artificially provided nourishment or fluids*** in the event of a terminal condition ***or state of permanent unconsciousness***.

(2) KRS 311.622 to 311.644 shall not affect the common law or statutory right of an adult to make decisions regarding the use of life-prolonging treatment ***or artificially provided food, water, or other artificially provided nourishment or fluids***, so long as the adult is able to do so, or impair or supersede any common law or statutory right that an adult has to effect the withholding or withdrawal of medical care.

Section 8. KRS 311.970 is amended to read as follows:

As used in KRS 311.970 to 311.986:

(1) "Adult" means a person eighteen (18) years of age or older and who is of sound mind.

(2) "Attending physician" means the physician who has primary responsibility for the treatment and care of the patient.

(3) "Decisional capacity" means the ability to make and communicate a health care decision.

(4) "Designation" means a document in writing executed by the grantor in accordance with the requirements of KRS 311.980 or in a durable power of attorney as provided in KRS 386.093.

(5) "Grantor" means an adult who has executed a designation naming one (1) or more health care surrogates.

(6) "Health care decision" means consenting to, or withdrawing consent for any medical procedure, treatment or intervention***, including organ donation, and the use of life prolonging treatment or artificially provided food, water, or other artificially provided nourishment or fluids***.

(7) "Health care facility" means any institution, place, building, agency or portion thereof, public or private, whether organized for profit or not, used, operated or designed to provide medical diagnosis, treatment, nursing, rehabilitative or preventive care, and licensed pursuant to KRS Chapter 216B.

(8) "Physician" means a person licensed to practice medicine in the Commonwealth of Kentucky.

(9) "Surrogate" means an adult who has been designated to make health care decisions in accordance with KRS 311.970 to 311.986.

Section 9. KRS 311.978 is amended to read as follows:

(1) Except as specifically limited in the designation or in KRS 311.970 to 311.986, the surrogate may make any health care decisions for the grantor which the grantor could make individually if he or she had decisional capacity, provided all such decisions shall be made in accordance with accepted medical practice. Whenever making any health care decision for the grantor, the surrogate shall consider the recommendation of the attending physician, the decision the grantor would have made if the grantor then had decisional capacity, if known, ***any living will executed by the declarant,*** and the decision that would be in the best interest of the grantor.

(2) The surrogate may not make a health care decision in any situation in which the grantor's attending physician has determined in good faith that the grantor has decisional capacity. The attending physician shall proceed as if there were no designation if the surrogate is unavailable or refuses to make a health care decision.

(3) [~~Notwithstanding the designation of a health care surrogate, nutrition and hydration shall always be provided to a person with the following exceptions: artificial nutrition and hydration may be withheld or withdrawn in the following circumstances:~~

~~(a) When inevitable death is imminent, which for the purposes of this provision shall mean when death is expected, by reasonable medical judgment, within a few days; or~~

~~(b) When the provision of artificial nutrition cannot be physically assimilated by the person; or~~

~~(c) When the burden of the provision of artificial nutrition and hydration itself shall outweigh its benefit, provided that the determination of burden shall refer to the provision itself and not to the quality of the continued life of the person.~~

~~Even in the exceptions listed in paragraphs (a), (b), and (c) of this subsection, artificial nutrition and hydration shall not be withheld or withdrawn if it is needed for comfort or the relief of pain.~~

~~(4)~~] Notwithstanding the designation of a health care surrogate, life sustaining treatment and artificial nutrition and hydration shall be provided to a pregnant woman unless, to a reasonable degree of medical certainty, as certified on the woman's medical chart by the attending physician and one (1) other physician who has examined the woman, such procedures will not maintain the woman in such a way as to permit the continuing development and live birth of the unborn child or will be physically harmful to the woman or prolong severe pain which cannot be alleviated by medication.

Section 10. KRS 311.980 is amended to read as follows:

The designation may be in substantially the following form. In addition, the designation may include other specific directions which are in accordance with accepted medical practice and not specifically prohibited by KRS 311.970 to 311.986 or any other statute.

DESIGNATION OF HEALTH CARE SURROGATE

I designate ________________ as my health care surrogate(s) to make any health care decisions for me when I no longer have decisional capacity. If ________________ refuses or is not able to act for me, I designate ________________ as my health care surrogate(s).

Any prior designation is revoked.

Signed this _____ day of ________________, 19____

Signature and address of the grantor.

In our joint presence, the grantor, who ***to the best of our knowledge*** is of sound mind and eighteen (18) years of age, or older, voluntarily dated and signed this writing or directed it to be dated and signed for the grantor.

Signature and address of witness.

Signature and address of witness.

OR

STATE OF KENTUCKY)

________________ County)

Before me, the undersigned authority, came the grantor who ***to the best of my knowledge*** is of sound mind and eighteen (18) years of age, or older, and acknowledged that he voluntarily dated and signed this writing or directed it to be signed and dated as above.

Done this _______ day of ________________, 19 _____

Signature of Notary Public or other officer.

Date commission expires: ________________

SECTION 11. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

As used in Sections 11 to 17 of this Act:

(1) "Adult" means an individual who is at least eighteen (18) years of age.

(2) "Health care" means any care, treatment, service, or procedure to maintain, diagnose, or treat an individual's physical or mental condition. The term includes admission to a health care facility.

(3) "Health care provider" means any individual, institution, agency, or health facility licensed, certified, or registered to provide health related services in Kentucky.

(4) "Incapable of consent" means an individual who, in the good faith opinion of the attending physician, is incapable of making a decision regarding health care.

(5) "Minor" means an individual under the age of eighteen (18).

(6) "Representative" means an individual appointed to consent to health care of another pursuant to Sections 11 to 17 of this Act.

SECTION 12. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) In the event an adult patient, who is incapable of consent, has not designated a health care surrogate or executed a living will or other advanced directive, any one of the following responsible parties, in the following order of priority if no individual in a prior class is reasonably available, willing, and competent to act, shall be authorized to grant, refuse, or withdraw consent on behalf of the patient for the provision of any health care service, treatment, or procedure:

(a) The judically appointed guardian of the patient if the guardian has been appointed and if medical decisions are within the scope of the guardianship;

(b) The spouse of the patient;

(c) An adult child of the patient, or if the patient has more than one (1) child, the majority of the adult children who are reasonably available for consultation;

(d) The parents of the patient;

(e) The nearest living relative of the patient, or if more than one (1) relative of the same relation is reasonably available for consultation, a majority of the nearest living relatives.

(2) In any case in which a health care decision is made under this section, the decision shall be noted in writing in the patient's medical records.

SECTION 13. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) Consent to health care for a minor may be given:

(a) By a judicially-appointed guardian of the person or a representative appointed under Section 14 of this Act;

(b) By a parent or individual acting as a parent, if:

1. There is no guardian or other representative described in paragraph (a) of this subsection;

2. The guardian or other representative is not reasonably available or declines to act; or

3. The existence of the guardian or other representative is unknown to the health care provider; or

(c) By an adult sibling of the minor, if:

1. There is no guardian or other representative described in paragraph (a) of this subsection;

2. A parent or individual acting as a parent is not reasonably available or declines to act;

3. The existence of the parent or individual acting as a parent is unknown to the health care provider.

(2) An individual delegated authority to consent under Sections 11 to 17 of this Act has the same authority and responsibility as the individual delegating the authority.

(3) An individual authorized to consent for another under this section shall act in good faith, in accordance with any advanced directive executed by the individual incapable of consenting, and in the best interest of the individual incapable of consenting.

SECTION 14. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) A health care provider or any interested individual may petition the circuit court in the county where the individual is present for purposes of receiving health care to:

(a) Make a health care decision or order health care for an individual incapable of consenting; or

(b) Appoint a representative to act for that individual.

(2) Reasonable notice of time and place of hearing a petition under this section shall be given to the individual incapable of consenting, to anyone having the care and custody of the individual, and to those individuals in the classes described in Section 12 of this Act who are reasonably available and who are designated by the court.

(3) The circuit court may modify or dispense with notice and hearing if the court finds that delay will have a serious, adverse effect upon the health of the individual.

(4) The circuit court may order health care, appoint a representative to make a health care decision for the individual incapable of consenting to health care with any limitation on the authority of the representative it considers appropriate, or order any other appropriate relief in the best interest of that individual, if the court finds:

(a) A health care decision is required for the individual;

(b) The individual is incapable of consenting to health care; and

(c) 1. There is no individual authorized to consent; or

2. An individual authorized to consent to health care is not reasonably available, declines to act, or is not acting in the best interest of the individual in need of health care.

SECTION 15. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) A health care provider acting or declining to act in reliance on the consent or refusal of consent of an individual who the provider believes in good faith is authorized by Sections 11 to 17 of this Act or another statute to consent to health care is not subject to criminal prosecution, civil liability, or professional disciplinary action on the ground that the individual who consented or refused to consent lacked authority or capacity.

(2) A health care provider who believes in good faith, that an individual is incapable of consenting shall not be subject to criminal prosecution, civil liability, or professional disciplinary action for failing to follow that individual's direction.

(3) A person who in good faith believes the person is authorized to consent or refuse to consent for health care for another under Sections 11 to 17 of this Act or other statute is not subject to criminal prosecution or civil liability, if the person exercises due care, on the ground that the person lacked authority to consent.

SECTION 16. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

An individual authorized to consent to health care for another under Sections 11 to 17 of this Act has the same right as does the one for whom the individual is acting to receive information relevant to the contemplated health care, and to consent to the disclosure of medical records to a health care provider. Disclosure of information regarding contemplated health care to an individual authorized to consent for another is not a waiver of an evidentiary privilege or of the right to assert confidentiality.

SECTION 17. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) Sections 11 to 17 of this Act does not affect any other statute concerning an individual's authorization to make a health care decision for the individual or another individual, or to provide, withdraw, or withhold life-prolonging treatment.

(2) Sections 11 to 17 of this Act does not affect the requirements of KRS Chapter 202A relating to observation, diagnosis, treatment, or hospitalization for a mental illness.

(3) Sections 11 to 17 of this Act does not authorize an individual to consent to any health care that is prohibited by Kentucky law.

(4) Sections 11 to 17 of this Act does not affect any requirement of notice to others of proposed health care under any other Kentucky statute.

(5) Sections 11 to 17 of this Act does not affect any other statute concerning;

(a) The standard of care of a health care provider required in the provision of health care;

(b) When consent is required for health care;

(c) Elements of informed consent for health care;

(d) Other methods of consent authorized by law; or

(e) Health care provided in an emergency without consent.

(6) Sections 11 to 17 of this Act does not prevent an individual capable of consenting to the individual's own health care, or to the health care of another, from consenting to health care administered in good faith pursuant to religious tenets of the individual requiring health care.

(7) A representative consenting to health care for an individual under Sections 11 to 17 of this Act shall not become personally liable for the cost of the health care by virtue of that consent.

The Committee Substitute to **HB 456** is as follows:

HB 456, AN ACT relating to health care decisions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 13 of this Act:

(1) "Adult" means a person eighteen (18) years of age or older and who is of sound mind.

(2) "Advance directive" means a living will directive made in accordance with Sections 1 to 13 of this Act, a living will or designation of health care surrogate executed prior to the effective date of Sections 1 to 13 of this Act, and any other document that provides directions relative to health care to be provided to the person executing the document.

(3) "Artificially provided nutrition and hydration" means sustenance or fluids that are artificially or technologically administered.

(4) "Attending physician" means the physician who has primary responsibility for the treatment and care of the patient.

(5) "Decisional capacity" means the ability to make and communicate a health care decision.

(6) "Directive" means a living will directive in writing voluntarily made by an adult in accordance with the provisions of Sections 1 to 13 of this Act.

(7) "Grantor" means an adult who has executed an advance directive in accordance with Sections 1 to 13 of this Act.

(8) "Health care decision" means consenting to, or withdrawing consent for any medical procedure, treatment or intervention.

(9) "Health care facility" means any institution, place, building, agency, or portion thereof, public or private, whether organized for profit or not, used, operated, or designed to provide medical diagnosis, treatment, nursing, rehabilitative, or preventive care, and licensed pursuant to KRS Chapter 216B.

(10) "Life-prolonging treatment" means any medical procedure, treatment, or intervention which:

(a) Utilizes mechanical or other artificial means to sustain, prolong, restore, or supplant a spontaneous vital function; and

(b) When administered to a patient would serve only to prolong the dying process. "Life-prolonging treatment" shall not include the administration of medication or the performance of any medical procedure deemed necessary to alleviate pain.

(11) "Permanently unconscious" means a condition which, to a reasonable degree of medical probability, as determined solely by the qualified patient's attending physician and one (1) other physician on clinical examination, is characterized by an absence of cerebral cortical functions indicative of consciousness or behavioral interaction with the environment.

(12) "Physician" means a person licensed to practice medicine in the Commonwealth of Kentucky.

(13) "Responsible party" means an adult who has authority under Sections 6 to 7 of this Act to make a health care decision for a patient who has not executed a living will directive.

(14) "Surrogate" means an adult who has been designated to make health care decisions in accordance with Sections 1 to 13 of this Act.

(15) "Terminal condition" means a condition caused by injury, disease, or illness which, to a reasonable degree of medical probability, as determined solely by the qualified patient's attending physician and one (1) other physician, is incurable and irreversible and will result in death within a relatively short time, and where the application of life-prolonging treatment would serve only to artificially prolong the dying process.

SECTION 2. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) An adult with decisional capacity may make a written living will directive that does any or all of the following:

(a) Directs the withholding or withdrawal of life-prolonging treatment; or

(b) Directs the withholding or withdrawal of artificially provided nutrition or hydration; or

(c) Designates one (1) or more adults as a surrogate or successor surrogate to make health care decisions on behalf of the grantor. During any period in which two (2) or more surrogates are serving, all decisions shall be by unanimous consent of all the acting surrogates unless the advance directive provides otherwise.

(2) Except as provided in Section 8 of this Act, a living will directive made pursuant to this section shall be honored by a grantor's family, regular family physician or attending physician, and any health care facility of or in which the grantor is a patient.

SECTION 3. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) A living will directive made pursuant to Section 2 of this Act shall be substantially in the following form, and may include other specific directions which are in accordance with accepted medical practice and not specifically prohibited by any other statute. If any other specific directions are held by a court of appropriate jurisdiction to be invalid, that invalidity shall not affect the directive.

"Living Will Directive

My wishes regarding life-prolonging treatment and artificially provided nutrition and hydration to be provided to me if I no longer have decisional capacity, have a terminal condition, or become permanently unconscious have been indicated by checking and initialing the appropriate lines below. By checking and initialing the appropriate lines, I specifically:

Designate as my health care surrogate(s) to make health care decisions for me in accordance with this directive when I no longer have decisional capacity. If ________________ refuses or is not able to act for me, I designate ________________ as my health care surrogate(s).

Any prior designation is revoked.

If I do not designate a surrogate, the following are my directions to my attending physician. If I have designated a surrogate, my surrogate shall comply with my wishes as indicated below:

Direct that treatment be withheld or withdrawn, and that I be permitted to die naturally with only the administration of medication or the performance of any medical treatment deemed necessary to alleviate pain.

________ DO NOT authorize that life-prolonging treatment be withheld or withdrawn.

________ Authorize the withholding or withdrawal of artificially provided food, water, or other artificially provided nourishment or fluids.

________ DO NOT authorize the withholding or withdrawal of artificially provided food, water, or other artificially provided nourishment or fluids.

________ Authorize my surrogate, designated above, to withhold or withdraw artificially provided nourishment or fluids, or other treatment if the surrogate determines that that withholding or withdrawing is in my best interest; but I do not mandate that withholding or withdrawing.

In the absence of my ability to give directions regarding the use of life-prolonging treatment and artificially provided nutrition and hydration, it is my intention that this directive shall be honored by my attending physician, my family, and any surrogate designated pursuant to this directive as the final expression of my legal right to refuse medical or surgical treatment and I accept the consequences of the refusal.

If I have been diagnosed as pregnant and that diagnosis is known to my attending physician, this directive shall have no force or effect during the course of my pregnancy.

I understand the full import of this directive and I am emotionally and mentally competent to make this directive.

Signed this ______ day of __________ , 19____

Signature and address of the grantor.

In our joint presence, the grantor, who is of sound mind and eighteen years of age, or older, voluntarily dated and signed this writing or directed it to be dated and signed for the grantor.

Signature and address of witness.

Signature and address of witness.

OR

STATE OF KENTUCKY)

____________ County)

Before me, the undersigned authority, came the grantor who is of sound mind and eighteen (18) years of age, or older, and acknowledged that he voluntarily dated and signed this writing or directed it to be signed and dated as above.

Done this ______ day of __________ , 19____

Signature of Notary Public or other officer.

Date commission expires: ____________

Execution of this document restricts withholding and withdrawing of some medical procedures. Consult Kentucky Revised Statutes or your attorney."

(2) An advanced directive shall be in writing, dated, and signed by the grantor, or at the grantor's direction, and either witnessed by two (2) or more adults in the presence of the grantor and in the presence of each other, or acknowledged before a notary public or other person authorized to administer oaths. None of the following shall be a witness to any advance directive made under this section:

(a) A blood relative of the grantor;

(b) A beneficiary of the grantor under descent and distribution statutes of the Commonwealth;

(c) An employee of a health care facility in which the grantor is a patient, unless the employee is a notary public;

(d) An attending physician of the grantor; or

(e) Any person directly financially responsible for the grantor's health care.

(3) A person designated as a surrogate pursuant to an advance directive may resign at any time by giving written notice to the grantor; to the immediate successor surrogate, if any; to the attending physician; and to any health care facility which is then waiting for the surrogate to make a health care decision.

(4) An employee, owner, director, or officer of a health care facility where the grantor is a resident or patient shall not be designated or act as surrogate unless related to the grantor within the fourth degree of consanguinity or affinity or a member of the same religious order.

SECTION 4. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) An advance directive made pursuant to Section 2 of this Act may be revoked by:

(a) A writing declaring an intention to revoke, which writing shall be signed and dated by the grantor;

(b) An oral statement of intent to revoke by a grantor with decisional capacity; or

(c) Destruction of the document by the grantor or by some person in the grantor's presence and at the grantor's direction.

(2) An oral statement by a grantor with decisional capacity to revoke an advance directive shall override any previous written advance directive made.

(3) Any revocation made pursuant to this section shall become effective immediately. An attending physician or health care facility shall not be required to administer treatment in accordance with the revocation until the time notice of the revocation is received. Upon receiving notice of the revocation, the attending physician or health care facility shall record, in the grantor's medical record, the time, date, and place of the notice receipt. No physician or health care facility shall be subject to any liability for acting in good faith upon the knowledge, or lack thereof, of the existence or revocation of an advance directive.

(4) The designation of a health care surrogate made pursuant to Section 2 of this Act may be revoked in whole or in part or the surrogate's powers reduced or limited at any time by the grantor, if the grantor has decisional capacity. A new designation shall revoke any prior designation unless the revocation, in whole or in part, is specifically negated.

SECTION 5. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) A surrogate designated pursuant to an advance directive may make health care decisions for the grantor which the grantor could make individually if he or she had decisional capacity; provided all the decisions shall be made in accordance with the desires of the grantor as indicated in the advance directive. When making any health care decision for the grantor, the surrogate shall consider the recommendation of the attending physician, and honor the decision made by the grantor as expressed in the advance directive.

(2) The surrogate may not make a health care decision in any situation in which the grantor's attending physician has determined in good faith that the grantor has decisional capacity. The attending physician shall proceed as if there were no designation if the surrogate is unavailable or refuses to make a health care decision.

(3) A health care surrogate may authorize the withdrawal or withholding of artificially provided nutrition and hydration in the following circumstances:

(a) When inevitable death is imminent, which for the purposes of this provision shall mean when death is expected, by reasonable medical judgment, within a few days; or

(b) When a patient is in a permanently unconscious state if the grantor has executed an advance directive authorizing the withholding or withdrawal of artificially provided nutrition and hydration; or

(c) When the provision of artificial nutrition cannot be physically assimilated by the person; or

(d) When the burden of the provision of artificial nutrition and hydration itself shall outweigh its benefit. Even in the exceptions listed in paragraphs (a), (b), and (c) of this subsection, artificially provided nutrition and hydration shall not be withheld or withdrawn if it is needed for comfort or the relief of pain.

(4) Notwithstanding the execution of an advance directive, life sustaining treatment and artificially provided nutrition and hydration shall be provided to a pregnant woman unless, to a reasonable degree of medical certainty, as certified on the woman's medical chart by the attending physician and one (1) other physician who has examined the woman, the procedures will not maintain the woman in a way to permit the continuing development and live birth of the unborn child, will be physically harmful to the woman, or prolong severe pain which cannot be alleviated by medication.

SECTION 6. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) If an adult patient, who does not have decisional capacity, has not executed an advance directive or to the extent the advance directive does not address a decision that must be made, any one (1) of the following responsible parties, in the following order of priority if no individual in a prior class is reasonably available, willing, and competent to act, shall be authorized to make health care decisions on behalf of the patient:

(a) The judicially appointed guardian of the patient, if the guardian has been appointed and if medical decisions are within the scope of the guardianship;

(b) The spouse of the patient;

(c) An adult child of the patient, or if the patient has more than one (1) child, the majority of the adult children who are reasonably available for consultation;

(d) The parents of the patient;

(e) The nearest living relative of the patient, or if more than one (1) relative of the same relation is reasonably available for consultation, a majority of the nearest living relatives.

(2) In any case in which a health care decision is made under this section, the decision shall be noted in writing in the patient's medical records.

(3) An individual authorized to consent for another under this section shall act in good faith, in accordance with any advance directive executed by the individual who lacks decisional capacity, and in the best interest of the individual who does not have decisional capactity.

(4) An individual authorized to make a health care decision under this section may authorize the withdrawal or withholding of artificially-provided nutrition and hydration only in the circumstances as set forth in subsection (3) of Section 5 of this Act.

SECTION 7. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

Consent to health care for a minor may be given:

(1) By a judicially-appointed guardian of the minor;

(2) By a parent, if:

(a) There is no guardian;

(b) There is a guardian but the guardian is not reasonably available or declines to act; or

(c) The existence of the guardian is unknown to the health care provider; or

(3) By an adult designated in writing by the parent to act as a parent in the parent's absence, if:

(a) There is no guardian;

(b) There is a guardian but the guardian is not reasonably available or declines to act; or

(c) The existence of the guardian is unknown to the health care provider; or

(4) By an adult sibling of the minor, if:

(a) There is no guardian;

(b) A parent or adult designated by the parent is not reasonably available or declines to act; or

(c) The existence of the parent or individual acting as a parent is unknown to the health care provider.

SECTION 8. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) It shall be the responsibility of the grantor or the responsible party of the grantor to provide for notification to the grantor's attending physician and health care facility where the grantor is a patient that an advance directive has been made. If the grantor is comatose, incompetent, or otherwise mentally or physically incapable, any other person may notify the attending physician of the existence of an advance directive. An attending physician who is notified shall promptly make the living will directive or a copy of the advance directive a part of the grantor's medical records.

(2) An attending physician or health care facility which refuses to comply with the advance directive of a patient or decision made by a surrogate or responsible party shall immediately inform the patient or the patient's responsible party and the family or guardian of the patient of the refusal. No physician or health care facility which refuses to comply with the advance directive of a qualified patient or decision made by a responsible party shall impede the transfer of the patient to another physician or health care facility which will comply with the advance directive. If the patient, the family, or the guardian of the patient has requested and authorized a transfer, the transferring attending physician and health care facility shall supply the patient's medical records and other information or assistance medically necessary for the continued care of the patient, to the receiving physician and health care facility.

(3) No physician, nurse, staff member, or employee of a public or private hospital, or employee of a public or private health care facility, who shall state in writing to the hospital or health care facility his objection to complying with the advance directive of a patient or a health care decision of a responsible party under Sections 1 to 13 of this Act, on moral, religious, or professional grounds, shall be required to, or held liable for refusal to, comply with the advance directive or health care decision as long as the physician, nurse, staff member, or employee complies with the requirements of subsection (2) of this section regarding patient notification and patient transfer.

(4) It shall be unlawful discriminatory practice for any person to impose penalties or take disciplinary action against or deny or limit licenses, certifications, degrees, or other approvals or documents of qualification to any physician, nurse staff member, or employee who refuses to comply with the advance directive of a patient or a health care decision by a responsible party under Sections 1 to 13 of this Act, as long as the physician, nurse staff member, or employee complies with the provisions of subsection (2) of this section regarding notification and transfer.

SECTION 9. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) A health care facility, physician, or other person acting under the direction of a physician shall not be subject to criminal prosecution or civil liability or be deemed to have engaged in unprofessional conduct as a result of the withholding or the withdrawal of life-prolonging treatment or artificially provided nutrition and hydration from a patient in a terminal condition in accordance with an advance directive executed pursuant to Sections 1 to 13 of this Act. A person who authorizes the withholding or withdrawal of life-prolonging treatment or artificially provided nutrition and hydration from a patient in a terminal condition in accordance with an advance directive shall not be subject to criminal prosecution or civil liability for the action.

(2) An independent investigation of a surrogate's authority shall not be necessary unless a person is in possession of information as to the surrogate's disqualification. No surrogate, responsible party, physician, or health care facility acting in good faith, shall be subject to criminal or civil liability for giving instructions as a surrogate, making a health care decision as a responsible party under Sections 1 to 13 of this Act, or carrying out, or refusing to carry out pursuant to Section 8 of this Act, the surrogate's or responsible party's instructions or acting in reliance on the grantor's designation of a surrogate or a health care decision by a responsible party under Sections 1 to 13 of this Act.

(3) The provisions of this section shall apply unless it is shown by a preponderance of the evidence that the person:

(a) Authorizing or effectuating the withholding or withdrawal of life-prolonging treatment;

(b) Giving instructions as a surrogate;

(c) Making a health care decision as a responsible party under Sections 1 to 13 of this Act;

(d) Carrying out, or refusing to carry out, the surrogate's or responsible party's instructions; or

(e) Acting in reliance on the grantor's designation of a surrogate or a health care decision by a responsible party under Sections 1 to 13 of this Act,

did not, in good faith, comply with the provisions of Sections 1 to 13 of this Act.

(4) An advance directive made in accordance with Sections 1 to 5 of this Act shall be presumed to have been made voluntarily and validly executed unless the attending physician or health care facility has actual knowledge to the contrary.

SECTION 10. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) The withholding or withdrawal of life-prolonging treatment or artificially provided nutrition and hydration from a grantor in accordance with the provisions of Sections 1 to 13 of this Act shall not, for any purpose, constitute a suicide. The making of an advance directive under Sections 1 to 5 of this Act or a health care decision by a responsible party under Sections 1 to 13 of this Act shall not affect in any manner the sale, procurement, or issuance of any policy of life insurance, nor shall it be considered to modify the terms of an existing policy of life insurance. Notwithstanding any term of the policy to the contrary, no policy of life insurance shall be legally impaired or invalidated in any manner by a health care decision made by a surrogate or responsible party or by the withholding or withdrawal from an insured patient any medical procedure or intervention which would serve only to prolong artificially the dying process.

(2) No person, corporation, or governmental agency shall require or induce any person to execute a living will directive or to make a health care decision as a responsible party under Sections 1 to 13 of this Act as a condition for a contract or for the provision of any service, medical treatment, or benefit.

(3) Nothing in Sections 1 to 13 of this Act shall be construed to impose any liability on a surrogate or responsible party for any expenses of the grantor for which the surrogate or responsible party would not otherwise have been liable.

(4) Sections 1 to 13 of this Act shall not create a presumption concerning the intention of an adult who has revoked or has not executed an advance directive with respect to the use, withholding, or withdrawal of life-prolonging treatment if a terminal condition exists.

(5) Sections 1 to 13 of this Act shall not affect the common law or statutory right of an adult to make decisions regarding the use of life-prolonging treatment, so long as the adult is able to do so, or impair or supersede any common law or statutory right that an adult has to effect the withholding or withdrawing of medical care.

(6) Sections 1 to 13 of this Act shall not preclude or restrict the right of persons to make advance directives outside the provisions of Sections 1 to 13 of this Act; and Sections 1 to 13 of this Act shall not restrict or preclude medical personnel, physicians, nurses, or health care facilities from following other written advance directives consistent with accepted medical practice.

SECTION 11. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

Sections 1 to 13 of this Act shall not be construed to condone, authorize, or approve mercy killing or euthanasia, or to permit any affirmative or deliberate act to end life other than to permit the natural process of dying.

SECTION 12. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) Any person who willfully conceals, cancels, defaces, obliterates, or damages the advance directive of another without the grantor's consent or who falsifies or forges a revocation of the advance directive of another, thereby causing life-prolonging treatment to be utilized in contravention of the previously expressed intent of the patient shall be civilly liable.

(2) Any person who falsifies or forges the advance directive of another, or willfully conceals or withholds personal knowledge of the revocation of an advance directive, with the intent to cause a withholding or withdrawal of life-prolonging treatment, contrary to the wishes of the grantor, and thereby causes life-prolonging treatment to be withheld or withdrawn and death to be hastened, shall be guilty of a Class B felony.

SECTION 13. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

Sections 1 to 13 of this Act may by cited as the "Kentucky Living Will Directive Act."

Section 14. The following KRS sections are repealed:

311.622 Legislative finding.

311.624 Definitions for KRS 311.622 to 311.644.

311.626 Declaration — Witness.

311.628 Notification of declarant's attending physician of existence of declaration.

311.630 Revocation procedures.

311.632 Exemption of health care facility or physician from criminal prosecution or civil liability for actions.

311.634 Notification of patient when attending physician or health care facility refuses to comply — Transfer of patient.

311.636 Construction of KRS 311.622 to 311.644.

311.638 Withholding or withdrawal of life-prolonging treatment not to constitute suicide — Effect of declaration on life insurance.

311.640 Effect of KRS 311.622 to 311.644 on intention or right of adult.

311.642 Civil liability — Penalty.

311.644 Short title.

311.970 Definitions for KRS 311.970 to 311.986.

311.972 Designation of surrogate — Resignation — Persons prohibited from serving.

311.974 Execution of designation.

311.976 Revocation of designation.

311.978 Powers of surrogate — Limitations.

311.980 Form of designation.

311.982 Refusal of health care provider to comply with designation — Effect of refusal.

311.984 Liabilities of surrogate — Effect of designation on life insurance — Right to make decision as to use of life-prolonging treatment.

311.986 Short Title.

HB 637, AN ACT relating to vital statistics.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 213.036 is amended to read as follows:

(1) Each county in the Commonwealth shall constitute a registration district for the purposes of carrying out the provisions of this chapter.

(2) The secretary shall, upon the recommendation of the state registrar, designate a local registrar in each registration district to aid in the efficient administration of the system of vital statistics. The local registrar shall be an employee of the local health department. The designation may be revoked by the secretary.

(3) The local registrar may designate one (1) or more employees of the local health department as deputy registrar. The local registrar may also appoint persons as deputy registrars who are not employees of the local health department if, in the opinion of the cabinet, the appointments are necessary. All appointments shall be subject to the approval of the state registrar.

(4) The local registrar shall supply blank forms of certificates to persons who require them. The local registrar shall carefully examine each certificate of birth or fetal death when presented for filing, to ensure the record has been properly completed. If the certificates are properly completed the local registrar shall sign as local registrar and attest to the date of filing. The local registrar shall also make a complete and accurate copy of each certificate to be filed and permanently preserved in the local registrar's office as the local record, in the manner directed by the Cabinet for Human Resources. The local registrar shall transmit original certificates ***and affidavits of paternity*** to the Office of Vital Statistics as directed by the state registrar. When a birth or fetal death certificate filed with a local registrar indicates the residence of the mother or the deceased to be in another county, the registrar shall mail a copy of the certificate to the local registrar of the county of residence.

Section 2. KRS 213.046 is amended to read as follows:

(1) A certificate of birth for each live birth which occurs in the Commonwealth shall be filed with the local registrar within ten (10) days after such birth and shall be registered if it has been completed and filed in accordance with this section. A hearing risk certificate provided by the Commission for Handicapped Children, with questions pertaining to hearing loss in newborn infants, shall accompany the certificate of birth for use pursuant to KRS 211.645 and 211.647. All certificates shall be typewritten. No certificate shall be held to be complete and correct that does not supply all items of information called for herein, or satisfactorily

account for their omission except as provided in KRS 199.570(3). If a certificate of birth or the hearing risk certificate is incomplete, the local registrar shall immediately notify the responsible person and require that person to supply the missing items, if that information can be obtained.

(2) When a birth occurs in an institution or en route thereto, the person in charge of the institution or that person's designated representative, shall obtain the personal data, prepare the certificate, secure the signatures required, and file the certificate as directed in subsection (1) of this section or as otherwise directed by the state registrar within the required ten (10) days. The physician or other person in attendance shall provide the medical information required for the certificate and certify to the fact of birth within ten (10) days after the birth. If the physician or other person in attendance does not certify to the fact of birth within the ten (10) day period, the person in charge of the institution shall complete and sign the certificate.

(3) ***When a birth occurs in a hospital or en route thereto, to an unmarried mother the person in charge of the hospital or that person's designated representative, shall:***

(a) Meet with the mother prior to the release from the hospital;

(b) Attempt to ascertain whether father of the child is available in the hospital, and, if so, to meet with him, if possible;

(c) Provide the unmarried mother, and, if possible, the father, with the affidavit of paternity form;

(d) Upon both the mother's and father's request, help the mother and father in completing the affidavit of paternity form; and

(e) Upon both the mother's and father's request, transmit the affidavit of paternity to the local registrar in the county in which the birth occurred.

(4) When a birth occurs outside an institution, the certificate shall be prepared and filed by one (1) of the following in the indicated order of priority:

(a) The physician in attendance at or immediately after the birth; or, in the absence of such a person,

(b) Any other person in attendance at or immediately after the birth; or, in the absence of such a person,

(c) The father, the mother, or in the absence of the father and the inability of the mother, the person in charge of the premises where the birth occurred or of the institution to which the child was admitted following the birth.

(5)[~~(4)~~] No physician, midwife, or other attendant shall refuse to sign or delay the filing of a birth certificate.

(6)[~~(5)~~] If a birth occurs on a moving conveyance within the United States and the child is first removed from the conveyance in the Commonwealth, the birth shall be registered in the Commonwealth, and the place where it is first removed shall be considered the place of birth. If a birth occurs on a moving conveyance while in international waters or air space or in a foreign country or its air space and the child is first removed from the conveyance in the Commonwealth, the birth shall be registered in the Commonwealth, but the certificate shall show the actual place of birth insofar as can be determined.

(7)[~~(6)~~] The following provisions shall apply if the mother was married at the time of either conception or birth or anytime between conception and birth:

(a) If there is no dispute as to paternity, the name of the husband shall be entered on the certificate as the father of the child. The surname of the child shall be any name chosen by the parents; however, if the parents are separated or divorced at the time of the child's birth, the choice of surname rests with the parent who has legal custody following birth.

(b) If the mother claims that the father of the child is not her husband and the husband agrees to such a claim and the putative father agrees to the statement, a three (3) way affidavit of paternity may be signed by the respective parties and duly notarized. The state registrar of vital statistics shall enter the name of a non-husband on the birth certificate as the father and the surname of the child shall be any name chosen by the mother.

(c) If a question of paternity determination arises which is not resolved under paragraph (b) of this subsection, it shall be settled by the District Court.

(8)[~~(7)~~] The following provisions shall apply if the mother was not married at the time of either conception or birth or between conception and birth or the marital relationship between the mother and her husband has been interrupted for more than ten (10) months prior to the birth of the child:

(a) The name of the father shall not be entered on the certificate of birth. The state registrar shall upon acknowledgment of paternity by the father and with consent of the mother ***pursuant to KRS 213.121***, enter the father's name on the certificate. The surname of the child shall be any name chosen by the mother and father. If there is no agreement, the child's surname shall be determined by the parent with legal custody of the child.

(b) If an affidavit of paternity has been properly completed and the certificate of birth has been filed accordingly, any further modification of the birth certificate regarding the paternity of the child shall require an order from the District Court.

(c) In any case in which paternity of a child is determined by a court order, the name of the father and surname of the child shall be entered on the certificate of birth in accordance with the finding and order of the court.

(d) In all other cases, the surname of the child shall be any name chosen by the mother.

(9)[~~(8)~~] If the father is not named on the certificate of birth, no other information about the father shall be entered on the certificate. In all cases, the maiden name of the gestational mother shall be entered on the certificate.

(10)[~~(9)~~] Any child whose surname was restricted prior to July 13, 1990, shall be entitled to apply to the state registrar for an amendment of a birth certificate showing as the surname of the child, any surname chosen by the mother or parents as provided under this section.

(11)[~~(10)~~] The birth certificate of a child born as a result of artificial insemination shall be completed in accordance with the provisions of this section.

(12)[~~(11)~~] ***Each birth certificate filed under this section shall include all Social Security numbers that have been issued to the parents of the child.***

(13) Either of the parents of the child, or other informant, shall attest to the accuracy of the personal data entered on the certificate in time to permit the filing of the certificate within (10) days prescribed in subsection (1) of this section.

Section 3. KRS 213.056 is amended to read as follows:

(1) If a certificate of birth of a living person born in the Commonwealth has not been filed within the time period as provided in KRS 213.046, a certificate of birth may be filed in accordance with the administrative regulations of the cabinet. The certificate shall be registered subject to such evidentiary requirements as the cabinet shall by regulation prescribe to substantiate the alleged facts of birth.

(2) In accordance with the provisions of this section and the administrative regulations established thereunder, the state registrar may issue a record of foreign birth for a person born outside the United States registration area who is subsequently adopted by a Kentucky resident and whose record of birth cannot be obtained from the country of birth. Such certificates shall be plainly endorsed, "not evidence of United States citizenship."

(3) Certificates of birth registered one (1) year or more after the date of birth shall be made on forms prescribed and furnished by the state registrar marked "delayed" and shall show on the face of the certificate the date of the delayed registration.

(4) A summary statement of the evidence submitted in support of the delayed registration shall be endorsed on the certificate.

(5) The cabinet may refuse to accept any application for a delayed birth certificate or record of foreign birth on which the applicant fails to provide such information as the cabinet may require.

(6) Each birth certificate filed under this section shall include all Social Security numbers that have been issued to the parents of the child.

SECTION 4. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) All paternity judgment orders issued or modified by a court on or after July 15, 1992, shall include, but not be limited to, the following information about the father, if the information is known at the time the order is set:

(a) Full name;

(b) Social Security number;

(c) Age at time of the child's birth;

(d) Place of birth as to the state or foreign country; and

(e) Current address.

(2) The order shall be transmitted by the Circuit Court clerk of the court with jurisdiction to the state registrar of vital statistics no later than the fifteenth day of each calendar month.

SECTION 5. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

If an unmarried mother of a child and the natural father of the child sign an affidavit of paternity in accordance with KRS 213.046 and 213.121, there is a rebuttable presumption that the man who signed the affidavit is the natural father of the child. This presumption shall only be rebutted by a preponderance of the evidence. If the presumption is not rebutted, the court shall enter a summary judgment of paternity, pursuant to Civil Rule 56 of the Kentucky Rules of Civil Procedure.

The Committee Amendment No. 1 to **HB 637** is as follows:

Amend printed copy of **HB 637** as follows:

On page 10, line 15 by inserting the following:

"SECTION 6. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

The Cabinet for Human Resources shall pay the sum of ten dollars ($10) for each completed affidavit of paternity form returned to the local registrar, pursuant to Section 2 of this Act, limited to the appropriated funds for the purpose of Section 2 of this Act."

The Committee Amendment No. 2 to **HB 637** is as follows:

Amend printed copy of **HB 637** as follows:

On page 10, by deleting lines 3 through 14 in their entirety.

HB 683, AN ACT relating to the Cabinet for Human Resources.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 194.030 is amended to read as follows:

The Cabinet for Human Resources shall consist of the following major organizational units which are hereby created:

(1) Office of the Secretary;

(2) The Office for Policy and Budget. The Office for Policy and Budget shall provide the secretary with professional support in planning, budgeting, and policy analysis, including the appraisal of needs, the formulation of policy and the evaluation of programs. The Office for Policy and Budget shall be headed by an administrator who shall be appointed by the secretary with the approval of the Governor in accordance with KRS 12.050;

(3) The Office of the Counsel. The Office of the Counsel shall provide legal advice and assistance to all units of the cabinet in any legal action in which it may be involved. The Office of the Counsel shall employ all attorneys of the cabinet who serve the cabinet in the capacity of attorney and shall administer all personal service contracts of the cabinet for legal services. The Office of the Counsel shall be headed by a general counsel who shall be appointed by the secretary with the approval of the Governor in accordance with KRS 12.050 and 12.210. The general counsel shall be the chief legal advisor to the secretary and shall be directly

responsible to the secretary. The Attorney General, on the request of the secretary, may designate the general counsel as an assistant attorney general in accordance with the provisions of KRS 15.105;

(4) The Office of the Ombudsman. The Office of the Ombudsman shall provide a review of citizen complaints on services of the Cabinet for Human Resources when such complaints cannot be resolved through normal administrative remedies. The Office of the Ombudsman shall be headed by an ombudsman who shall be appointed by the Governor with the advice of the secretary. The ombudsman shall be directly responsible to the secretary;

(5) The Office of Administrative Services. The Office of Administrative Services shall be responsible for providing administrative support services within the Cabinet for Human Resources. All fiscal, facility and information management functions of the cabinet shall be vested in the Office of Administrative Services. The Office of Administrative Services shall be headed by an executive director who shall be appointed by the secretary with the approval of the Governor in accordance with KRS 12.050. The executive director shall be a person who by experience and training in administration and management is qualified to perform the duties of this office. The executive director shall exercise authority over the office of administrative services under the direction of the secretary and shall only fulfill such responsibilities as delegated by the secretary;

(6) The Department for Social Insurance. The Department for Social Insurance shall develop and operate programs of the cabinet that provide income maintenance or income supplementation services and social insurance benefit programs not assigned to another department. The Department for Social Insurance shall also be responsible for all eligibility determination and certification functions associated with these programs. The Department for Social Insurance shall be headed by a commissioner for social insurance who shall be appointed by the secretary with the approval of the Governor in accordance with KRS 12.050. The commissioner for social insurance shall be a person who by experience and training in administration and management is qualified to perform the duties of this office. The commissioner for social insurance shall exercise authority over the Department for Social Insurance under the direction of the secretary and shall only fulfill such responsibilities as delegated by the secretary;

(7) The Department for Medicaid Services. The Department for Medicaid Services shall serve as the single state agency in the Commonwealth to administer Title XIX of the federal Social Security Act. The Department for Medicaid Services shall be headed by a commissioner for medicaid services who shall be appointed by the secretary with the approval of the Governor in accordance with KRS 12.050. The commissioner for medicaid services shall be a person who by experience and training in administration and management is qualified to perform the duties of this office. The commissioner for medicaid services shall exercise authority over the Department for Medicaid Services under the direction of the secretary and shall only fulfill such responsibilities as delegated by the secretary;

(8) The Department for Health Services. The Department for Health Services shall develop and operate all programs of the cabinet that provide health services and all programs for the prevention, detection, care, and treatment of physical disability, illness, and disease. The Department for Health Services shall be headed by a commissioner for health services who shall be appointed by the secretary with the approval of the Governor in accordance with KRS 12.050. The commissioner for health services shall be a duly licensed physician who by experience and training in administration and management is qualified to perform the duties of this office. The commissioner shall advise the head of each major organizational unit enumerated in this section on policies, plans and programs relating to all matters of public health, including any actions necessary to safeguard the health of the citizens of the Commonwealth. The commissioner shall serve as chief medical officer of the Commonwealth. The commissioner for health services shall exercise authority over the department for health services under the direction of the secretary and shall only fulfill such responsibilities as delegated by the secretary;

(9) The Department for Mental Health and Mental Retardation Services. The Department for Mental Health and Mental Retardation Services shall provide services for all programs for the prevention, detection and treatment of mental disability, illness and disease and administer all programs for the assistance of community treatment and prevention of such disability, illness and disease. The Department for Mental Health and Mental Retardation Services shall be headed by a commissioner for mental health and mental retardation who shall be appointed by the secretary for human resources with the approval of the Governor in accordance with KRS 12.050. The commissioner for mental health and mental retardation shall be by training and experience in administration and management qualified to perform the duties of the office. The commissioner for mental health and mental retardation shall exercise authority over the department under the direction of the secretary for human resources and shall only fulfill such responsibilities as delegated by the secretary;

(10) The Department for Social Services. The Department for Social Services shall develop and operate all social service programs of the cabinet. The Department for Social Services shall be headed by a commissioner for social services who shall be appointed by the secretary with the approval of the Governor in accordance with KRS 12.050. The commissioner for social services shall be a person who by education, professional

qualification, training, and experience in the administration and management of social service programs is qualified to perform the duties of this office. The commissioner for social services shall exercise authority over the Department for Social Services under the direction of the secretary and shall only fulfill such responsibilities as delegated by the secretary;

(11) The Department for Employment Services. The Department for Employment Services shall develop and operate all employment development and placement programs including all job recruitment and business liaison functions, employability development and training programs, and all job counseling and job placement programs of the cabinet. In addition, the department shall develop and operate all programs relating to unemployment insurance laws of the Commonwealth including responsibilities relating to hearing and judging unemployment insurance benefit appeals. The Department for Employment Services shall be headed by a commissioner for employment services who shall be appointed by the secretary with the approval of the Governor in accordance with KRS 12.050. The commissioner for employment services shall be a person who by experience and training in administration and management is qualified to perform the duties of this office. The commissioner for employment services shall exercise authority over the Department for Employment Services under the direction of the secretary and shall fulfill only such responsibilities as delegated by the secretary;

(12) The Office of the Inspector General. The Office of the Inspector General shall be responsible for:

(a) The conduct of audits and investigations for detecting the perpetration of fraud or abuse of any program by any client, or by any vendor of services with whom the cabinet has contracted ***and the conduct of special investigations requested by the Secretary, Commissioners, or office heads of the Cabinet for Human Resources into matters related to the cabinet or its programs***;

(b) [~~Such~~] Licensing and regulatory functions as the secretary may delegate; and

(c) The notification and forwarding of any information relevant to possible criminal violations to the appropriate prosecuting authority.

The Office of the Inspector General shall be headed by an inspector general who shall be appointed by the secretary with the approval of the Governor. The inspector general shall be directly responsible to the secretary;

(13) The Commission for Handicapped Children. The duties, responsibilities and authority set out in KRS 200.460 to 200.490 shall be performed by the commission. The commission shall advocate the rights of handicapped children, and to the extent that funds are available, shall provide such services and facilities for handicapped children as are deemed appropriate by the commission. The commission shall be composed of seven (7) members appointed by the Governor to serve a term of office of four (4) years. The commission may promulgate such administrative regulations pursuant to KRS Chapter 13A as may be necessary to implement and administer its responsibilities. The duties, responsibilities, and authority of the commission for handicapped children shall be performed through the Office of the Executive Director of the Commission. The executive director shall be appointed by the Governor pursuant to KRS 12.040, and the commission may at any time recommend the removal of the executive director upon filing with the Governor a full written statement of its reasons for such removal. The executive director shall report directly to the Commission for Handicapped Children and serve as the commission's secretary; and

(14) The Commission for Health Economics Control in Kentucky. The duties, responsibilities and authority pertaining to the certificate of need functions and the licensure appeal functions, as set out in KRS 216B.010 to 216B.990, shall be performed by the commission. The commission may promulgate administrative regulations pursuant to KRS Chapter 13A necessary to implement and administer its responsibilities.

HB 686, AN ACT relating to the discharge of voluntarily admitted residents of an ICF/MR.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 202B.021 is amended to read as follows:

(1) Mentally retarded minors and adult persons may be voluntarily admitted for care and treatment in an ICF/MR under the applicable provisions of this section.

(2) Upon the recommendation or approval of the interdisciplinary team of an ICF/MR, a physician may admit for care and treatment a mentally retarded minor upon application of a parent or guardian. Upon recommendation or approval of the interdisciplinary team of an ICF/MR, the physician may also admit a mildly or moderately mentally retarded adult person who applies voluntarily therefor and who, in the opinion of the physician, possesses the mental capacity to give informed consent for admission.

(3) Upon recommendation or approval of the interdisciplinary team of an ICF/MR, the physician shall discharge any voluntarily admitted resident whose care and treatment in the ICF/MR is determined to be no longer necessary or advisable.

(4) A voluntary resident shall be released upon the resident's written request unless further detained under the applicable provisions of this chapter.

The Committee Amendment No. 1 to **HB 686** is as follows:

Amend printed copy of **HB 686** as follows:

On page 2, by deleting lines 1 to 3 and inserting in lieu thereof the following subsection:

"***(4) If an adult resident who has been admitted voluntarily requests his or her release in writing, or if the release of a minor resident is requested in writing by the minor's parent or guardian, the resident shall be released unless further detained under the applicable provisions of this chapter.***"

HB 690, AN ACT relating to the Developmental Disabilities Planning Council.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 194.135 is amended to read as follows:

(1) There is hereby created within the Cabinet for Human Resources a Developmental Disabilities Planning Council.

(2) The Developmental Disabilities Planning Council is established to comply with the requirements of the Developmental Disabilities Act of 1984, [~~Public Law 98-527,~~] and any subsequent amendment to that act.

(3) The members of the Developmental Disabilities Planning Council shall be appointed by the Governor to serve as advocates for persons with developmental disabilities. The council shall be composed of twenty-four (24) members of which twelve (12) are representatives of the principal state agencies administering funds provided under the Rehabilitation Act of 1973, ***the state agency that administers funds provided under*** [~~Public Law 93-112~~]; the Education of the Handicapped Act***; the state agency that administers funds provided under the Older Americans Act of 1965***[~~, Public Law 91-230, as amended~~]; the single state agency designated by the Governor for administration of Title XIX of the Social Security Act ***for persons with developmental disabilities***; higher education training facilities, each university affiliated ***program*** [~~facility~~] or satellite center in the Commonwealth; the protection and advocacy system established under ***Public Law 101-496*** [~~section 142 of Public Law 98-527~~]; and local agencies, nongovernmental agencies, and ***private,*** nonprofit groups concerned with services to persons with developmental disabilities:

(a) At least twelve (12) of the members of the council shall be composed of persons with developmental disabilities or the parents or guardians of such persons or immediate relatives or guardians of persons with mentally impairing developmental disabilities, who are not managing employees or persons with ownership or controlling interest in any other entity which receives funds or provides services under the Developmental Disabilities Act of 1984 ***and who are not employees of a state agency which receives funds or provides services under this section.*** Of these members, at least four (4) members shall be persons with developmental disabilities and at least four (4) members shall be the immediate relatives or guardians of persons with mentally impairing developmental disabilities meeting the conditions listed in this subsection. At least one (1) of these relatives or guardians shall be an immediate relative or guardian of an institutionalized ***or previously institutionalized*** person with a developmental disability. At least one (1) member of the council shall represent and advocate for the interests and rights of disabled, newborn infants;

(b) Members not representing principal state agencies shall be appointed for a term of three (3) years, except the initial appointments shall be made in the following manner: four (4) members shall be appointed for a term of three (3) years, four (4) members shall be appointed for a term of two (2) years, and four (4) members shall be appointed for a term of one (1) year; and

(c) The planning council shall elect its own chairman, adopt bylaws, and operate in accordance with its bylaws. Members of the council who are not state employees shall be reimbursed for necessary and actual expenses. The Cabinet for Human Resources shall provide personnel adequate to insure that the council has the capacity to fulfill its responsibilities.

(4) The Developmental Disabilities Planning Council shall develop jointly with the cabinet and any other agencies designated to administer or supervise the administration of the state plan as required by Part B of the Developmental Disabilities Act of 1984, Public Law 98-527, including the specification of priority services required by that plan; monitor, review and evaluate, not less often than annually, the implementation of this plan; to the maximum extent feasible, review and comment on all state plans which relate to persons with developmental disabilities; and submit to the secretary of the cabinet such periodic reports on its activities as required by the United States Department of Health and Human Services and keep such records and afford such access thereto as the cabinet finds necessary to verify such report.

HB 693, AN ACT relating to the use of school buses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 160.305 is amended to read as follows:

(1) The Cabinet for Human Resources***, or the area development district as its local contractor,*** may enter into a contract with the local board of education of any school district in the Commonwealth for the use of school buses to transport persons eligible for transportation services at times when the buses are not needed to transport students to or from school or school events. Persons eligible for [~~such~~] transportation services shall be:

(a) ***Sixty (60)*** [~~Sixty-two (62)~~] years of age or older;

(b) Physically or mentally handicapped; or

(c) Any other person designated by the Cabinet for Human Resources as appropriate for [~~such~~] transportation services.

(2) Before [~~such~~] a contract is entered into, the Cabinet for Human Resources shall formulate a plan for the use of school buses for ***these*** [~~such~~] purposes and shall submit it to the local board of education for its approval or disapproval. The plan for the use of school buses for ***these*** [~~such~~] transportation purposes shall include routes, schedules, cost, and any other matters deemed necessary by both parties.

(3) The cost of transporting persons eligible under the provisions of subsection (1) of this section shall be borne by the Cabinet for Human Resources.

SJR 67, A JOINT RESOLUTION supporting the full implementation of the Kentucky Early Intervention System and directing the Cabinet for Human Resources to continue to expand upon its efforts to establish comprehensive services for all children with special needs from birth through age two.

WHEREAS, early intervention services for infants and toddlers with special needs aged birth through two years are essential to the continued development of the Commonwealth's most precious resource; and

WHEREAS, the provision of early intervention services is documented to be effective in substantially increasing the attainable potential of infants and toddlers with special needs; and

WHEREAS, Public Law 99-457, part H, makes federal funds available to states to develop early intervention services for infants and toddlers with special needs, without requiring any specific state appropriation; and

WHEREAS, the Cabinet for Human Resources has estimated that as many as four thousand (4,000) infants and toddlers in Kentucky could substantially benefit from these services; and

WHEREAS, the Cabinet for Human Resources is currently providing early intervention services to an estimated one thousand six hundred (1,600) infants and toddlers with special needs; and

WHEREAS, the early intervention services are not currently available uniformly across the Commonwealth, limiting access for a substantial number of our youngest Kentuckians in need;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Cabinet for Human Resources be directed to seek full funding available under Public Law 99-457, part H, for early intervention services for those infants and toddlers aged birth through two years with special needs.

Section 2. That the Cabinet for Human Resources request additional funding from public and private sources, including but not limited to the General Assembly, necessary to achieve the goals and objectives of the Kentucky Early Intervention System on a statewide basis.

Section 3. That a copy of this resolution be transmitted to the Governor, and the secretary of the Cabinet for Human Resources.

The Committee on Transportation reported **HB 32**, with Committee Substitute attached thereto, **HB 436**, with Committee Amendment attached thereto, **HB 549**, with Committee Substitute attached thereto, **HB 584**, with Title Amendment attached thereto, **HB 617**, **HB 620**, **HB 628**, with Committee Amendment and Title Amendment attached thereto, and **HJR 124** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 32, AN ACT relating to the acquisition of property.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) Prior to the authorization of the right-of-way phase of any highway construction project requiring the expenditure of state funds, the department shall convene a public hearing on the project scope. The owner of any parcel of property to be procured as a result of the project, owners of property abutting or adjacent to the project, and other persons deemed by the department to be affected by the project shall be notified by first class mail not less than fourteen (14) days in advance of this public hearing. Proof that the notice was mailed shall be provided upon request by the secretary or his designee.

(2) The department shall be responsible for establishing the name and address of an owner of each parcel of property described in subsection (1) of this section. Records maintained by the property valuation administrator may be relied upon to determine the identity and address of the owner. If the property is in condominium or cooperative forms of ownership, the person notified by mail shall be the president or chairperson of the owner group which administers property commonly owned by the condominium or cooperative owners.

(3) The hearing required by this section may be held in conjunction with other hearings required by federal or state law.

SECTION 2. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) In addition to the notice required by Section 1 of this Act, the department shall post a notice of hearing on the property of which is proposed to be affected by the highway project. The sign shall state the time, place, and date of the hearing, and the required information shall be displayed in letters at least one (1) inch in height. The sign shall be constructed of durable material and shall provide a telephone number where details on the hearing may be obtained.

(2) The signs required by subsection (1) of this section shall be placed on the property affected by the highway project no later than fourteen (14) days prior to the proposed hearing.

(3) The notice set forth in Section 1 of this Act and this section shall be in addition to any other notice required by other governmental laws, ordinances, or regulations.

The Committee Substitute to **HB 32** is as follows:

HB 32, AN ACT relating to the acquisition of property.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

(1) Prior to the authorization of the right-of-way phase of any highway construction project requiring the expenditure of state funds, the department shall convene a public hearing on the project scope. The owner of any parcel of property to be procured as a result of the project, owners of property abutting or adjacent to the project, and other persons deemed by the department to be affected by the project shall be notified by first class mail not less than fourteen (14) days in advance of this public hearing. Proof that the notice was mailed shall be provided upon request by the secretary or his designee.

(2) The department shall be responsible for establishing the name and address of an owner of each parcel of property described in subsection (1) of this section. Records maintained by the property valuation administrator may be relied upon to determine the identity, the value, and address of the owner. If the property is in condominium or cooperative forms of ownership, the person notified by mail shall be the president or chairperson of the owner group which administers property commonly owned by the condominium or cooperative owners.

(3) The hearing required by this section may be held in conjunction with other hearings required by federal or state law.

Section 2. KRS 416.560 is amended to read as follows:

(1) Notwithstanding any other provision of the law, a department, instrumentality or agency of city, county, or urban-county government, other than a waterworks corporation the capital stock of which is wholly owned by a city of the first class, having a right of eminent domain under other statutes shall exercise such right only by requesting the governing body of the city, county, or urban-county to institute condemnation proceedings on its behalf. If the governing body of the city, county, or urban-county agrees, it shall institute such proceedings under KRS 416.570, and all costs involved in the condemnation shall be borne by the department, instrumentality, or agency requesting the condemnation.

(2) If any department, instrumentality, or agency of a city, county, or urban-county government, other than a waterworks corporation the capital stock of which is wholly owned by a city of the first class, operates in more than one (1) governmental unit, it shall request the governing body of the city, county or urban-county government wherein the largest part of the individual tract of the property sought to be condemned lies, to institute condemnation proceedings on its behalf.

(3) A department, instrumentality, or agency of the Commonwealth of Kentucky, other than the Transportation Cabinet, having a right of eminent domain under other statutes shall exercise such right only by requesting the Finance and Administration Cabinet to institute condemnation proceedings on its behalf. If the Finance and Administration Cabinet agrees, it shall institute ***the*** [~~such~~] proceedings under KRS 416.570, and all costs involved in the condemnation shall be borne by the ***cabinet*** [~~department~~], instrumentality, or agency requesting the condemnation.

(4) Prior to the filing of the petition to condemn, the condemnor or its employees or agents shall have the right to enter upon any land or improvement which it has the power to condemn, in order to make studies, surveys, tests, sounding, and appraisals, provided that the owner of the land or the party in whose name the property is assessed has been notified ***by first class mail*** ten (10) days prior to entry on the property. Any actual damages sustained by the owner of a property interest in the property entered upon by the condemnor shall be paid by the condemnor and shall be assessed by the court or the court may refer the matter to commissioners to ascertain and assess the damages sustained by the condemnee, which award shall be subject to appeal.

HB 436, AN ACT relating to highways.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 189.221 is amended to read as follows:

A [~~No~~] person shall ***not*** operate on any highway, except ***those*** [~~such~~] highways [~~as may be~~] designated by the secretary of transportation under the provisions of [~~subsection (1) of~~] KRS 189.222, ***or those locally maintained highways under the provisions of KRS 189.222(7),*** any of the following trucks, trailers, mobile homes or vehicles:

(1) Any motor truck, semitrailer, trailer, mobile home, or vehicle which exceeds ***eleven and one-half*** (11 1/2) feet in height or ***ninety-six*** (96) inches in width, including any part of the body or load;

(2) Any motor truck, except a semitrailer truck, which exceeds ***twenty-six and one half*** (26 1/2) feet in length, including any part of the body or load;

(3) Any semitrailer truck which exceeds ***thirty*** (30) feet in length, including any part of the body or load;

(4) Any truck, semitrailer truck, or truck and trailer unit which exceeds 36,000 pounds gross weight, including the load;

(5) Any truck, semitrailer truck, or tractor-trailer unit which exceeds a gross weight equal to the sum of ***six hundred*** (600) pounds per inch of the combined width of the tires upon which ***the*** [~~such~~] vehicle may be propelled, but [~~in~~] no [~~event~~] more than ***thirty-six thousand*** (36,000) pounds.

(6) Notwithstanding the provisions of this section, any truck hauling building materials to a road construction project on a highway rated less than the maximum weight provided above, may haul up to ***eighty thousand*** (80,000) pounds gross weight, including the load, without a permit. This privilege shall extend only to travel between the materials manufacturing site and the road construction project and shall be automatically rescinded upon completion of said project.

Section 2. KRS 189.222 is amended to read as follows:

(1) The secretary of the Transportation Cabinet in respect to highways which are a part of the state-maintained system, by official order, may increase on designated highways or portions thereof, the maximum height, length, and gross weight prescribed in KRS 189.221, if in the opinion of the secretary, the increased height, length, and weight designated by him are justified by the strength, safety, and durability of the designated highways, and the highways do not appear susceptible to unreasonable and unusual damage by reason of the increases and the secretary may establish reasonable classification of ***state maintained*** [~~the~~] roads and fix a different maximum for each classification. Any increase in the height, length, or width of any motor truck or tractor semitrailer combinations or any other vehicle combinations including any part of the body or load or designation of highways to be used by the vehicles, shall not, in any way, exceed the federal law or regulations thereunder or jeopardize the allotment or qualification for federal aid funds of the Commonwealth of Kentucky or exceed the following dimensions and weights:

(a) Height, thirteen and one-half (13 1/2) feet;

(b) Length, semitrailers, fifty-three (53) feet; trailers, twenty-eight (28) feet; motor trucks, forty-five (45) feet, not to exceed two (2) trailers per truck tractor;

(c) Weight, twenty thousand (20,000) pounds per single axle, with axles less than forty-two (42) inches apart to be considered as a single axle; thirty-four thousand (34,000) pounds on two (2) axles in tandem arrangement which are spaced forty-two (42) inches or more apart and less than ninety-six (96) inches apart; ***forty-eight thousand (48,000)*** [~~fifty thousand (50,000)~~] pounds on three (3) axles which are spaced forty-two (42) inches or more apart and less than one hundred twenty (120) inches apart. No single axle in any arrangement shall exceed twenty thousand (20,000) pounds or six hundred (600) pounds per inch of the aggregate width of all the tires on a single axle, whichever is less. The total gross weight of the vehicle and load shall not exceed eighty thousand (80,000) pounds;

(d) Except on the interstate highway system, a tolerance of not more than five percent (5%) per axle load shall be permitted before a carrier is deemed to have violated paragraph (c) of this subsection. The gross weight shall not exceed eighty thousand (80,000) pounds;

(e) Truck tractor, semitrailer and trailer combinations, and other vehicle combinations may be operated only on the interstate system and on those parts of the federal aid highway system and the state-maintained system which have been designated by the secretary of the Transportation Cabinet by official order as safely allowing same.

(2) Vehicles exclusively engaged in the transportation of motor vehicles, unmanufactured tobacco, or unmanufactured tobacco products may, on those highways which are a part of the state-maintained system and which have been designated by the secretary of the Transportation Cabinet by official order as safely allowing same, attain the maximum lengths as provided by subsection (1)(b) of this section, excluding the usual and ordinary bumper overhang of the transported vehicles;

(3) Vehicles engaged exclusively in the transportation of farm or primary forestry products and registered under KRS 186.050(4) or 186.050(9) and vehicles engaged exclusively in the transportation of ready-mixed concrete shall be excluded from the axle weight provisions, except on interstate highways, and subject only to total gross weight provisions.

(4) Vehicles registered pursuant to KRS 186.050(3)(b) and engaged in the transportation of primary forest products, including, but not limited to, vehicles transporting sawdust, wood chips, bark, slabs, or logs, may exceed the axle, or gross weight provisions as set forth in accordance with subsection (1)(c) of this section by a weight tolerance of ten percent (10%), except on the interstate highway system.

(5) Vehicles designed for and engaged exclusively in the collection and hauling of refuse and registered under KRS 186.050(3)(b) shall be excluded from the axle weight provisions, except when in operation on the federal interstate system, and subject only to total gross weight provisions.

(6) The secretary of the Transportation Cabinet may by order increase the weight and height limits prescribed by this chapter for motor vehicles while being operated exclusively on roads or highways being constructed, reconstructed, or repaired under contract with the Transportation Cabinet by the contractor or subcontractor, agent, or employee thereof.

(7) Notwithstanding any other provisions of this chapter, the secretary of the Transportation Cabinet ***shall*** [~~may~~] not authorize the operation of any motor vehicle or combination of motor vehicles, upon any part of the federal aid highway system or state parkway system, which exceeds the following dimensions and weights:

(a) Width, one hundred two (102) inches, including any part of the body or load;

(b) Weight, twenty thousand (20,000) pounds per single axle, with axles less than forty-two (42) inches apart to be considered as a single axle; thirty-four thousand (34,000) pounds on two (2) axles in tandem arrangement which are spaced forty-two (42) inches or more apart and less than ninety-six (96) inches apart; forty-eight thousand (48,000) pounds on three (3) axles which are spaced forty-two (42) inches or more apart and less than one hundred twenty (120) inches apart. The total gross weight of the vehicle and load shall not exceed eighty thousand (80,000) pounds. If any federal law or laws or regulations thereunder are hereafter enacted authorizing weights and dimensions in excess of those set out in paragraphs (a) and (b) of this subsection, the secretary of the Transportation Cabinet may by official order increase the maximum weights and dimensions but the increased weights and dimensions shall not exceed those set out in this section.

(8) Except on the interstate highway system, vehicles engaged exclusively in the transportation of crushed stone, fill dirt and rock, soil, bulk sand, coal, phosphate muck, asphalt, concrete, solid waste, tankage or animal residues, livestock, and agricultural products shall be permitted a tolerance of ten percent (10%) of the axle weight provisions before a carrier is deemed to have violated paragraph (1)(c) of this section.

(9) The Transportation Cabinet may promulgate administrative regulations pursuant to KRS Chapter 13A, relating to the implementation of 23 CFR Part 658 as it relates to state maintained or locally maintained roads.

The Committee Amendment No. 1 to **HB 436** is as follows:

Amend printed copy of **HB 436** as follows:

On page 1, line 6, after the word "***of***" by deleting "***KRS***" and inserting in lieu thereof: "***subsection (9) of Section 2 of this Act,***"; and

On page 1, line 7, by deleting "***189.222(7),***"; and

On page 7, after line 13, by inserting the following: "***The enforcement of the provisions of Sections 1 and 2 of this Act on locally maintained roads shall not be the responsibility of the law enforcement officers of the Transportation Cabinet, unless the head of the corresponding local government unit has requested, in writing, enforcement assistance from the Transportation Cabinet.***"

HB 549, AN ACT relating to the operation of boats.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 235.990 is amended to read as follows:

(1) Any person who violates any of the provisions of this chapter shall be fined not less than fifteen dollars ($15.00) nor more than one hundred dollars ($100).

(2) Any person failing to obey a citation issued in accordance with KRS 235.315 shall be guilty of a separate offense and shall be fined not less than fifteen dollars ($15.00) nor more than one hundred dollars ($100).

(3) Any person who violates KRS 235.240(2) shall be guilty of a Class A misdemeanor.

The Committee Substitute to **HB 549** is as follows:

HB 549, AN ACT relating to the operation of boats.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 235.990 is amended to read as follows:

(1) Any person who violates any of the provisions of this chapter***, except KRS 235.240(2),*** shall be fined not less than fifteen dollars ($15.00) nor more than one hundred dollars ($100).

(2) Any person failing to obey a citation issued in accordance with KRS 235.315 shall be guilty of a separate offense and shall be fined not less than fifteen dollars ($15.00) nor more than one hundred dollars ($100).

(3) Any person who violates KRS 235.240(2) shall be guilty of a Class B misdemeanor.

(4) Any person who refuses to submit to the tests required in Section 2 of this Act shall be guilty of a Class B misdemeanor.

SECTION 2. A NEW SECTION OF KRS CHAPTER 235 IS CREATED TO READ AS FOLLOWS:

(1) Anyone who operates any vessel while it is underway shall be deemed to have given his consent to one (1) or more tests of his blood, breath, and urine, or combination thereof, for the purposes of determining alcohol concentration or presence of a substance which may impair one's ability to operate a vessel, if arrested for any offense arising out of a violation of KRS 235.240(2). Alcohol concentration limits shall be the same as provided in KRS 189A.010. Testing shall be performed in the same manner as provided in KRS Chapter 189A.

(2) No person shall be compelled to submit to any test or tests specified in subsection (1) of this section, but his refusal to submit to the tests shall result in the penalty provided in KRS 235.990(4).

(3) At the time a breath, blood, or urine test is requested, the person shall be informed that if the person refuses to submit to the tests he shall be subject to the penalty provided in KRS 235.990(4).

(4) Nothing in this section shall be construed to prohibit a judge of a court of competent jurisdiction from issuing a search warrant or other court order requiring a blood or urine test, or a combination thereof, of a defendant charged with a violation of this section arising from an incident in which a person is killed or suffers physical injury as defined in KRS 500.080, as a result which incident the defendant has been charged.

HB 584, AN ACT relating to the extended weight coal hand system.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 177.9771 is amended to read as follows:

(1) The "extended weight coal or coal by-products haul road system" shall consist of public highways over which quantities of coal or coal by-products in excess of fifty thousand (50,000) tons were transported by motor vehicles during the period from January 1, 1985, through December 31, 1985, and shall be updated annually thereafter.

(2) The secretary of the Transportation Cabinet shall by official order on or before November 1, of each year, certify such public highways or portions thereof, as fulfill the criteria in subsection (1) of this section, as the extended weight coal or coal by-products haul road system.

(3) The total tons of coal or coal by-products transported by motor vehicles over any public highway shall be determined from the official coal or coal by-products road system transportation report required pursuant to KRS 177.977.

(4) Any vehicle, when registered with a declared gross weight of eighty thousand (80,000) pounds and when transporting coal or coal by-products over public highways which are part of the extended weight coal or coal by-products haul road system or portions thereof, may be operated at the weights as set forth below in excess of the maximum gross weight prescribed in KRS 189.221 and 189.222 and any other maximum weight limitations on state or county maintained systems by entering into a cooperative agreement as provided in KRS 177.979 or by paying the corresponding decal fee as set forth below:

(a) A single unit truck having one (1) steering axle and two (2) axles in tandem shall be limited to a maximum gross weight of ninety thousand (90,000) pounds with a tolerance of five percent (5%), and pay a decal fee of one hundred sixty dollars ($160) annually;

(b) A single unit truck having one (1) steering axle and three (3) axles in tridem arrangement shall be limited to a maximum gross weight of one hundred thousand (100,000) pounds with a tolerance of five percent (5%), and pay a decal fee of two hundred sixty dollars ($260) annually;

(c) Tractor-semitrailer combinations with five (5) or more axles shall be limited to a maximum gross weight of one hundred twenty thousand (120,000) pounds with a tolerance of five percent (5%), and pay a decal fee of three hundred sixty dollars ($360) annually;

(d) Any motor carrier involved in the transportation of coal or coal by-products which meets gross axle weights of twenty thousand (20,000) pounds per axle and twelve thousand (12,000) pounds for the steering axle may register in excess of eighty thousand (80,000) pounds by payment of eight hundred forty dollars ($840) plus an additional decal fee of ten dollars ($10) per one thousand (1,000) pounds of registered weight above eighty thousand (80,000) pounds;

(e) For purposes of this section, KRS 177.979 and 189.230, and for purposes of the extended weight coal or coal by-products haul system, the dimensional requirements of motor vehicles shall conform to all appropriate federal laws and regulations;

(f) The payment of the decal fee shall be in addition to any state registration fee, user fee or other decal fee, including the registration fee as specified in KRS 186.050(3);

(g) Motor vehicles used in the transportation of coal or coal by-products under cooperative agreements pursuant to KRS 177.979 shall be exempt from the payment of the decal fee as set forth in this section and the registration fee as set forth in KRS 186.050(3) as long as the truck is driven over cooperative roads only while full. The Transportation Cabinet shall issue identifying license plates for those motor vehicles under cooperative agreements;

(h) All fees under this section shall be scheduled for payment and prorated pursuant to the provisions of KRS 186.051; and

(i) All revenues generated pursuant to this section shall be credited to a special account within the road fund called the "energy recovery road fund."

(5) Sixty percent (60%) of all energy recovery road funds shall be used by the Department of Highways for construction, maintenance, and repair of the state-maintained portion of the extended weight coal or coal by-products haul road system.

(6) Forty percent (40%) of all energy recovery road funds shall be distributed to the fiscal court of those counties in which coal or coal by-products are transported for the sole purpose of construction, maintenance and repair of the county-maintained portion of the extended weight coal or coal by-products haul system. The distribution of funds to the counties shall be proportioned based on the miles of county roads on the extended weight coal or coal by-products haul system in each county compared to the total mileage of county roads in the total extended weight coal or coal by-products haul road system and the tons of coal or coal by-products transported over county roads on the extended weight coal or coal by-products haul system in each county compared to the total tons of coal or coal by-products transported over county roads in the total extended weight coal or coal by-products haul road system.

(7) Nothing in this section shall be construed or administered to jeopardize the receipt of federal funds for highway purposes and the secretary of transportation shall not act in any manner which shall jeopardize federal highway funds or funds to be received by the Commonwealth. In no event shall this section be construed to authorize any vehicle to operate on a federal interstate highway in excess of those limits prescribed in KRS 189.222. Likewise, nothing in this section shall be construed to prohibit the Department of Highways from providing for the public safety and convenience of the traveling public on the highway.

(8) As soon as practical after the report is prepared and published pursuant to KRS 177.977 for any calendar year after 1985, the secretary shall add to or delete from the extended weight coal or coal by-products haul road system public highways or portions thereof based upon the criteria set out in this section. However, deletion of a public road or portion thereof from the extended weight coal or coal by-products haul road system shall not affect the eligibility of such roads for highway funds or programs applicable to the extended weight coal or coal by-products haul road system.

(9) A fiscal court or a governing body of a city of the first through fourth class or urban-county government may by resolution, make recommendation to the secretary of the Transportation Cabinet that certain roads or road segments in the county or corporate city limits pose inherent and definite hazards or special conditions and that the secretary shall meet with said fiscal court or local governing body and take into consideration their concerns before adding to or deleting from the extended weight coal or coal by-products haul system.

(10) The secretary of the Transportation Cabinet is authorized to promulgate administrative regulations pursuant to KRS Chapter 13A as may be necessary to administer the provisions of this section, KRS 177.9772, 177.979 and 189.230.

(11) (a) Persons or entities registered to transport coal or coal by-products pursuant to this section may make application to the cabinet to receive a permit to haul any other natural resources for which a severance tax is levied over the roads designated as the official coal road system. The weight provisions established in this section shall apply to all permits issued.

(b) Persons or entities transporting the natural resources specified in paragraph (a) of this subsection shall file with the cabinet, at times designated by administrative regulation, any information identifying those highways, roads, and streets over which they are operating and the quantities of any natural resources, other than coal or coal by-products, which they are hauling, in order that the cabinet may accurately calculate total ton-miles within each coal impact and coal producing county.

(c) The secretary may promulgate administrative regulations for the purposes of issuing natural resources hauling permits and for the regulation of persons or entities receiving that permit.

The Committee Title Amendment to **HB 584** is as follows:

Amend printed copy of **HB 584** as follows:

Amend the title after the word "coal" by deleting the word "hand" and inserting in lieu thereof the word "haul".

HB 617, AN ACT relating to the possession of police radios.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 432.570 is amended to read as follows:

(1) It shall be unlawful for any person except a member of a police department or police force or an official with written authorization from the head of a department which regularly maintains a police radio system authorized or licensed by the Federal Communications Commission, to have in his or her possession, or in an automobile or other vehicle, or to equip or install in or on any automobile or other vehicle, any mobile radio set or apparatus capable of either receiving or transmitting radio or other messages or signals within the wave length or channel now or which may hereafter be allocated by the Federal Communications Commission, or its successor, for the purpose of police radios, or which may in any way intercept or interfere with the transmission of radio messages by any police or other peace officers and it shall be unlawful for any car, automobile, or other vehicle other than one publicly owned and entitled to an official license plate issued by the state issuing a license for said car, to have, or be equipped with such sets or apparatus even though said car is owned by an officer. Provided, however, the provisions of this section shall not apply to any automobile or other vehicle owned or operated by a member of a sheriff's department authorized by the fiscal court to operate a radio communications system that is licensed by the Federal Communications Commission or other federal agency having the authority to license same.

(2) Any person guilty of violating any of the provisions of this section shall be guilty of a misdemeanor, and, upon conviction, shall be punished by a fine of not less than fifty dollars ($50) and not exceeding five hundred dollars ($500), or imprisonment not exceeding twelve (12) months, or both so fined and imprisoned.

(3) It shall be the duty of any and all peace officers to seize and hold for evidence any and all equipment had or used in violation of the provisions of this section, and, upon conviction of the person having, equipping or using such equipment, it shall be the duty of the trial court to order such equipment or apparatus destroyed, forfeited, or escheated to the Commonwealth of Kentucky, and said property may be ordered destroyed, forfeited or escheated as above provided without a conviction of the person charged with violating this section.

(4) Nothing contained in this section shall prohibit the possession of a radio by:

(a) An individual who is a retailer or wholesaler and in the ordinary course of his business offers such radios for sale or resale;

(b) A commercial or educational radio or television station, licensed by the Federal Communications Commission, at its place of business; or

(c) An individual who possesses such a radio, provided it is capable of receiving radio transmissions only and is not capable of sending or transmitting radio messages, at his place of residence; licensed commercial auto towing trucks; newspaper reporters and photographers, disaster and emergency services personnel authorized in writing by the state director of disaster and emergency service (for state personnel) or chief executive of the city or county (for their respective personnel); ***a person holding a valid license issued by the Federal Communications Commission in the amateur radio service;*** peace officers authorized in writing by the head of their law enforcement agency, Commonwealth's attorneys and their assistants, county attorneys and their assistants, except that it shall be unlawful to use such radio to facilitate any criminal activity or to avoid apprehension by law enforcement officers. Violation of this section shall, in addition to any other penalty prescribed by law, result in a forfeiture to the local law enforcement agency of such radio.

(5) The secretary of the Finance and Administration Cabinet is hereby empowered by issuance of a secretary's order to exempt from the prohibitions and penalties of this section the possession and use of any

and all radio communication equipment that he finds is necessary to be owned and used by members of the general public and other non-police persons for utilization in the N.O.A.A. weather radio system.

HB 620, AN ACT relating to airport facilities and funding therefor, and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 139 IS CREATED TO READ AS FOLLOWS:

(1) Fifty percent (50%) of the receipts from the taxes imposed by this chapter on the sale, use, storage, or other consumption of jet fuel shall be appropriated and used for "airport facilities," as defined in KRS 183.011.

(2) The secretary of the Revenue Cabinet shall advise the secretary of the Finance and Administration Cabinet, monthly, of the amount of sales and use tax receipts to be allocated to the airport facilities account in the Transportation Cabinet. Allocation of the receipts shall be monthly.

(3) The Revenue Cabinet shall account for and annually report to the Governor and the Legislative Research Commission sales and use tax receipts derived from the sale, use, storage, or other consumption of jet fuel.

Section 2. The provisions of this Act shall be effective for sales and use tax receipts received on or after July 1, 1992.

Section 3. To properly effectuate the dates provided for in this Act, an emergency is declared to exist, and this Act shall become effective upon its passage and signature by the Governor.

HB 628, AN ACT relating to commercial driver's licenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 281A.010 is amended to read as follows:

(1) "Alcohol" means:

(a) Beer, ale, port, or stout and other similar fermented beverages, including sake or similar products, of any name or description containing one-half of one percentum (0.5%) or more of alcohol by volume, brewed or produced from malt, wholly or in part, or from any substitute therefor;

(b) Wine of not less than one-half of one percentum (0.5%) of alcohol by volume; or

(c) Distilled spirits, which means that substance known as ethyl alcohol, ethanol, or spirits of wine in any form, including all dilutions and mixtures thereof from whatever source or by whatever process produced; or

(d) Any substance containing ethyl alcohol, hydrated oxide of ethyl, spirit of wine, or any distilled spirits including, but not limited to, ethanol, methanol, propanol, and isopropanol.

(2) "Alcohol concentration" means:

(a) The number of grams of alcohol per one hundred (100) milliliters of blood; [~~or~~]

(b) The number of grams of alcohol per two hundred ten (210) liters of breath***; or***

(c) The number of grams of alcohol per sixty-seven (67) milliliters of urine.

(3) "Cabinet" means the Transportation Cabinet of the Commonwealth of Kentucky.

(4) ***"Commerce" means:***

(a) Any trade, traffic, or transportation within the jurisdiction of the United States between a place in a state and a place outside of the state, including a place outside of the United States; and

(b) Trade, traffic, and transportation in the United States that affects any trade, traffic, and transportation described in paragraph (a) of this subsection.

(5) "Commercial driver's license," or CDL, means a license issued to an individual in accordance with the requirements of this chapter or, if the license is issued by another state in accordance with the Federal Commercial Motor Vehicle Safety Act, to an individual ***that*** [~~which~~] authorizes the individual to drive any class of commercial motor vehicle.

(6)[~~(5)~~] "Commercial driver's license information system" or CDLIS means the national information system established to serve as a clearinghouse for locating information related to the licensing and identification of commercial motor vehicle drivers.

(7)[~~(6)~~] "Commercial driver's instruction permit" means a permit issued pursuant to KRS 281A.120.

(8)[~~(7)~~] "Commercial motor vehicle," or CMV, means a motor vehicle or combination motor vehicle ***used in commerce that*** [~~which~~] is:

(a) Designed to carry property and has a gross vehicle weight rating as determined by federal regulation which has been adopted into cabinet ***administrative*** regulations ***pursuant to KRS Chapter 13A***;

(b) Designed to transport sixteen (16) or more passengers, including the driver;

(c) Transporting hazardous materials and is required to be placarded in accordance with Title 49, Code of Federal Regulations, Part 172; or

(d) Any other vehicle ***that*** [~~which~~] is required by cabinet ***administrative*** regulation***, pursuant to KRS Chapter 13A,*** to be operated by a licensed commercial driver.

(9)[~~(8)~~] "Controlled substance" means any substance so classified under Section 102(6) of the Controlled Substances Act, 21 U.S.C. 802(6), and includes all substances listed on Schedules I through V, of Title 21, Code of Federal Regulations, Part 1308, as adopted by the Transportation Cabinet ***by administrative regulation*** pursuant to ***KRS Chapter 13A*** [~~regulation~~]. It shall also include those substances defined or listed in KRS Chapter 218A.

(10)[~~(9)~~] "Conviction" means an unvacated adjudication of guilt, or a determination that a person has violated or failed to comply with the law in a court of original jurisdiction or an authorized administrative tribunal, an unvacated forfeiture of bail or collateral deposited to secure the person's appearance in court, the payment of a fine or court cost, or violation of a condition of release without bail, regardless of whether or not the penalty is rebated, suspended, or probated.

(11)[~~(10)~~] "Disqualification" means a withdrawal, cancellation, suspension, or revocation of the privilege to drive a commercial motor vehicle.

(12)[~~(11)~~] "Drive" means to drive, operate, or be in physical control of a motor vehicle.

(13)[~~(12)~~] "Driver" means any person who drives, operates, or is in physical control of a commercial motor vehicle, or who is required to hold a commercial driver's license.

(14)[~~(13)~~] "Driver's license" means a license issued by a state or foreign jurisdiction to an individual ***that*** [~~which~~] authorizes the individual to drive a motor vehicle.

(15)[~~(14)~~] "Employee" means any operator of a commercial motor vehicle, including full-time, regularly employed drivers; casual, intermittent, or occasional drivers; leased drivers and independent, owner-operator contractors while in the course of operating a commercial motor vehicle who are either directly employed by, under lease to, or operating in a manner indicating employment to an employer.

(16)[~~(15)~~] "Employer" means any person, including the United States, a state, or a political subdivision of a state, who owns or leases a commercial motor vehicle, or assigns a person to drive a commercial motor vehicle.

(17)[~~(16)~~] "Felony" means any offense under state or federal law that is punishable by death or imprisonment for at least one (1) year in a correctional facility.

(18)[~~(17)~~] "Foreign" means outside the fifty (50) United States and the District of Columbia.

(19)[~~(18)~~] "Gross combination weight rating," or GCWR, is the gross vehicle weight rating of power unit plus the gross vehicle weight rating of any towed unit.

(20)[~~(19)~~] "Gross vehicle weight rating," or GVWR, means the value specified by the manufacturer as the maximum loaded weight of a single, a combination or an articulated vehicle[~~, or the vehicle's registered gross weight, whichever is greater~~].

(21)[~~(20)~~] "Hazardous materials" means the definition found in Section 103 of the Hazardous Materials Transportation Act, 49 U.S.C. 1801 et seq.

(22)[~~(21)~~] "Highway" shall include any way or place of any nature when any part of it is open to the use of the public as a matter of right, license, or privilege for the use of vehicular traffic.

(23)[~~(22)~~] "Moped" shall have the same meaning as in KRS 186.010(5).

(24)[~~(23)~~] "Motor vehicle" means a vehicle, machine, tractor, trailer, or semitrailer propelled or drawn by mechanical power used on highways, or any other vehicle required to be registered under the laws of this state, but ***shall*** [~~does~~] not include any vehicle, machine, tractor, trailer, or semitrailers operated exclusively on a rail.

(25)[~~(24)~~] "NDR" means the national driver register.

[~~(25) "Nonresident CDL" means a commercial driver's license issued by a state to a driver who resides in a foreign jurisdiction or a driver's license issued to a driver by a foreign jurisdiction which license qualifies as a CDL.~~]

(26) "Out-of-service order" means a temporary prohibition against driving a commercial motor vehicle.

(27) "Resident" means a person who has his actual or habitual place of abode in this state.

(28) "School bus" means a ***vehicle that meets the specification of KRS 156.153 and is designed to transport sixteen (16) or more passengers including the driver*** [~~school bus as defined in KRS 156.153~~].

(29) "Serious traffic violation" means a conviction when operating a commercial motor vehicle of:

(a) Excessive speeding, involving a single charge of any speed fifteen (15) miles per hour or more, above the specified speed limit;

(b) Reckless driving, as defined under state or local law, including conviction of driving a commercial motor vehicle in willful or wanton disregard for the safety of persons or property;

(c) Improper or erratic traffic lane changes;

(d) Following the vehicle ahead too closely;

(e) A violation of any state or local law related to motor vehicle traffic control, other than a parking violation, arising in connection with a fatal accident; or

(f) Any conviction of an offense ***that*** [~~which~~] requires mandatory suspension under KRS 186.560 or a serious violation as defined by Title 49 of the Code of Federal Regulations Part 383 or as amended by the Federal Highway Administration.

(30) "State" means a state of the United States and the District of Columbia.

(31) "State police" means the Department of State Police of the Commonwealth of Kentucky.

[~~(32) "Traffic accident" means any motor vehicle accident from which a conviction of a moving traffic law violation has resulted.~~]

Section 2. KRS 281A.050 is amended to read as follows:

The provisions of this chapter shall not apply to:

(1) Drivers of firefighting and other emergency equipment;

(2) Drivers of military vehicles if those persons are:

(a) Military personnel in uniform;

(b) Operating the vehicles in pursuit of a military purpose; and

(c) Properly licensed by the military;

(3) Drivers of vehicles ***that*** [~~which~~] are:

(a) Used exclusively in farm-to-market agricultural transportation;

(b) Operated in private carriage; [~~and~~]

(c) Used within one hundred fifty (150) ***highway*** miles of the point of origin; and

(d) Controlled and operated by a farmer's employees or family members if the motor vehicle is controlled by a farmer; and

(4) Drivers of vehicles ***that*** [~~which~~]:

(a) Are designed as temporary living quarters for recreational, camping, or travel use; and

(b) Operate on their own motor power or are mounted on or drawn by another vehicle.

Section 3. KRS 281A.100 is amended to read as follows:

(1) Notwithstanding any other provision of law to the contrary, the Transportation Cabinet shall upon request furnish full information regarding the commercial driving history record of any person to the following:

(a) The driver licensing administrator, court official, or police agency of this or any other state or foreign jurisdiction, requesting that information;

(b) Any employer or prospective employer;

(c) The commercial driver; or

(d) Any other person so established by administrative regulation***, pursuant to KRS Chapter 13A,*** of the cabinet.

(2) The cabinet may charge a fee of five dollars ($5) for this service.

(3)[~~(2)~~] The driving history record of a commercial driver shall include, but not be limited to, [~~violations and~~] convictions for any moving traffic violation, traffic accident record, and all out-of-state moving traffic [~~violations and~~] convictions.

(4)[~~(3)~~] If a person legally entitled to a commercial driving history releases information concerning the driving history record of a commercial driver, ***a*** [~~no~~] state agency, employee, or agent shall ***not*** be held liable.

Section 4. KRS 281A.150 is amended to read as follows:

(1) Every person seeking a commercial driver's license or a commercial driver's instruction permit shall first apply in person to the circuit clerk of the county in which the applicant resides. The application shall be in the form prescribed by KRS 281A.140 as provided by the cabinet. Each time a person applies for a commercial driver's license, an instruction permit, or seeks to upgrade or change his commercial driver's license, he shall update his application and submit the appropriate fee to the circuit clerk.

(2) ***The cabinet shall set fees by administrative regulation, pursuant to KRS Chapter 13A, for the following applications that shall not exceed:***

(a) Forty dollars ($40) for each application for a commercial driver's license. The fee shall be based on the class, type of license, endorsement, or restriction, or tests to be taken;

(b) Thirty-five dollars ($35) for each application for a commercial driver's instruction permit;

(c) Fifteen dollars ($15) for each application for a change or addition in class or type of license, endorsement, or restriction;

(d) Ten dollars ($10) for each application for a duplicate commercial driver's license;

(e) Thirty-five dollars ($35) for each application for renewal of a commercial driver's license;

(f) Sixty dollars ($60) for each application for a transfer of a commercial driver's license; and

(g) Twenty dollars ($20) for each application for a commercial driver's license with an "S" restriction for the following persons:

1. A person who operates a school bus;

2. A person who is employed by a mass transit authority created under the provisions of KRS Chapter 96A;

3. A person who drives a vehicle that is operated under a nonprofit bus certificate established pursuant to KRS 281.619;

4. A person who drives a vehicle registered pursuant to KRS 186.050(6); or

5. A person who drives a fixed route bus system vehicle that is operated by a public entity pursuant to the provisions of KRS Chapter 281 [~~Each application for a commercial driver's license shall be accompanied~~

~~by a fee to be set by regulation of the cabinet not to exceed forty dollars ($40). The fee amount shall be based on the class or type of license, endorsement, restriction, or tests to be taken.~~

~~(3) Each application for a commercial driver's instruction permit shall be accompanied by a fee to be set by regulation of the cabinet not to exceed thirty-five dollars ($35).~~

~~(4) Each application for a change or addition in class or type of license, endorsement, or restriction shall be accompanied by a fee to be set by regulation of the cabinet not to exceed fifteen dollars ($15) for each change or addition.~~

~~(5) Each application for a duplicate commercial driver's license shall be accompanied by a fee to be set by regulation of the cabinet not to exceed ten dollars ($10).~~

~~(6) Each application for a commercial driver's license renewal shall be accompanied by a fee to be set by regulation of the cabinet not to exceed thirty-five dollars ($35).~~

~~(7) Each application for a transfer of a commercial driver's license shall be accompanied by a fee to be set by regulation of the cabinet not to exceed sixty dollars ($60).~~

~~(8) Any person who applies for a Class B or C commercial driver's license with an "S" restriction shall be assessed a fee not to exceed twenty dollars ($20). Any person who applies for a Class B or C commercial driver's license with a "P" restriction who is employed by a mass transit authority created under the provisions of KRS Chapter 96A, a driver of a vehicle being operated under a non-profit bus certificate established pursuant to KRS 281.619, or a driver of a vehicle registered pursuant to KRS 186.050(6), shall be assessed or charged a fee not to exceed twenty dollars ($20)~~].

(3)[~~(9)~~] All fees remitted to the clerk shall be nonrefundable regardless of whether the applicant completes the requirements for a commercial driver's license or is tested.

(4)[~~(10)~~] All fees collected for the issuance of a commercial driver's license or a commercial driver's instruction permit shall be deposited into trust and agency accounts to be used exclusively for the administration and implementation of this chapter, except as prescribed in subsection ***(5)*** [~~(11)~~] of this section. The accounts shall not lapse but shall be continuing from year to year.

(5)[~~(11)~~] All fees collected pursuant to this section, shall be allocated between the Transportation Cabinet and Department of State Police, except a fifty cent ($0.50) issuance fee shall be allocated during the first two (2) years following the effective date of January 1, 1991, to the Administrative Office of the Courts in a trust and agency account for the use of the circuit clerks and thereafter allocated to the general fund from issuance of a commercial driver's license permit. [~~and~~] A three dollar ($3) issuance fee shall be allocated during the first two (2) years following the effective date of January 1, 1991, to the Administrative Office of the Courts in a trust and agency account for the use of the circuit clerks and thereafter allocated to the general fund from issuance of a commercial driver's license.

(6)[~~(12)~~] Any applicant who seeks reinstatement of his commercial driving privilege after a suspension, withdrawal, revocation, or disqualification shall pay a reinstatement fee of fifty dollars ($50) in addition to those fees required by subsection (2) of this section and shall satisfy the requirements of KRS 281A.160. This fee shall not be required if his commercial driving privilege was withdrawn only as a result of the withdrawal of his privilege to drive a noncommercial motor vehicle.

(7)[~~(13)~~] Any person who qualifies for a commercial driver's license under the provisions of KRS 281A.200 shall pay a fee not to exceed sixty-two dollars ($62).

Section 5. KRS 281A.170 is amended to read as follows:

(1) The commercial driver's license shall be marked "commercial driver's license" or "CDL" and shall be, to the maximum extent practicable, tamper proof. It shall include, but is not limited to, the following information:

(a) The name and present resident address of the licensee;

(b) The licensee's color photograph;

(c) A physical description of the licensee including sex, height, weight, [~~race,~~] and eye color;

(d) The licensee's date of birth;

(e) The licensee's Social Security number;

(f) The licensee's signature;

(g) The class or type of commercial motor vehicle or vehicles ***that*** [~~which~~] the person is authorized to drive together with any endorsements or restrictions;

(h) The name of this state;

(i) The dates between which the license is valid; and

(j) Any other information required by the cabinet.

(2) A commercial driver's license shall be issued with classifications, endorsements, and restrictions. Vehicles ***that*** [~~which~~] require an endorsement shall not be driven unless the proper endorsement appears on the license and the applicant has passed the knowledge and skills test required by the state police.

(a) Classifications:

1. Class A - Any combination of vehicles with a gross vehicle weight rating of twenty-six thousand and one (26,001) pounds or more, ***if*** [~~provided~~] the gross vehicle weight rating of the vehicle being towed is in excess of ten thousand (10,000) pounds. Licensees with an "A" classification may with the proper endorsement drive Class B and C vehicles.

2. Class B - Any single vehicle with a gross vehicle weight rating of [~~less than~~] twenty-six thousand and one (26,001) pounds or more, and any [~~such~~] vehicle towing a vehicle not in excess of ten thousand (10,000) pounds. Licensees with a "B" classification may with the proper endorsements drive Class C vehicles.

3. Class C - Any single vehicle with a gross weight rating of less than twenty-six thousand and one (26,001) pounds or any [~~such~~] vehicle towing a vehicle with a gross vehicle weight rating not in excess of ten thousand (10,000) pounds which includes:

a. Vehicles designed to transport sixteen (16) or more passengers, including the driver; or

b. Vehicles used in the transportation of hazardous materials which requires the vehicle to be placarded under Title 49, Code of Federal Regulations, Part 172, sub-part F, as adopted by ***administrative regulations of*** the cabinet***, pursuant to KRS Chapter 13A***.

4. Class D - All other vehicles not listed in any other class.

5. Class E - Moped only.

6. Class M - Motorcycles. Licensees with a "M" classification may also drive Class E vehicles.

(b) Endorsements:

1. "H" - Authorizes the driver to operate a vehicle transporting hazardous materials.

2. "T" - Authorizes operation of double trailers ***and triple trailers in those jurisdictions allowing the operation of triple trailers***.

3. "P" - Authorizes operation of vehicles carrying passengers.

4. "N" - Authorizes operation of tank vehicles.

5. "X" - Authorizes operation of combination of hazardous materials and tank vehicle endorsements.

6. "R" - Authorizes operation of all other endorsements not otherwise specified.

(c) Restrictions:

1. "K" - Restricts the driver to operation of vehicles not equipped with airbrakes.

2. "I" - Restricts the driver to Kentucky intrastate commerce driving.

3. "S" - Restricts the driver to school buses***, church buses, buses operated by a mass transit authority created under the provisions of KRS Chapter 96A, buses operated under a nonprofit bus certificate established pursuant to KRS 281.619, and fixed route buses operated by a public entity pursuant to the provisions of KRS Chapter 281***.

4. "L" - Shall not include a Class "A" bus.

5. "J" - Shall not include a Class "A" or "B" bus.

6. "O" - Shall not include tractor, semi-trailer style vehicles.

7. "Z" - Exempt intracity zones for commercial vehicles [~~only~~].

8.[~~4.~~] "1-13;" - Other restrictions.

(3) Within ten (10) days after issuing a commercial driver license, the cabinet shall notify the commercial driver's license information system of that fact, providing all information required to ensure identification of the person.

(4) A commercial driver's license issued pursuant to this chapter shall expire in four (4) years unless the license was issued pursuant to the terms of KRS 281A.200, or unless the license was issued to a person under the age of twenty-one (21).

(5) ***A person*** [~~No one~~] under the age of twenty-one (21) shall ***not*** be licensed to operate a Class A, B, or C vehicle unless he has an "I" restriction. ***A*** [~~No~~] commercial driver with an "I" restriction shall ***not*** drive a commercial motor vehicle in interstate commerce, ***unless he is exempt pursuant to 49 CFR 391.2. A commercial driver under the age of twenty-one (21) shall not be allowed to operate a school bus or a vehicle transporting hazardous material in intrastate commerce*** [~~drive a school bus, or transport hazardous materials~~].

(6) The holder of a commercial driver's license shall be considered to hold a valid Kentucky driver's license issued under the provisions of KRS 186.412.

[~~(7) If the automated computer system is nonfunctional, the circuit clerk may issue a temporary commercial driver's license permit to an applicant for renewal or transfer of a commercial driver's license to be valid for not more than thirty (30) days to a person who has satisfied all the requirements for the issuance of a commercial driver's license. Upon return to the circuit clerk's office, the person shall not be charged any additional fee for the issuance of his commercial driver's license provided he returns prior to the expiration of the thirty (30) day temporary commercial driver's license permit. No person shall be issued more than one (1) temporary commercial driver's license permit.~~]

Section 6. KRS 281A.190 is amended to read as follows:

(1) ***A*** [~~Any~~] person shall be disqualified from driving a commercial motor vehicle for a period of one (1) year if convicted of:

(a) Driving a commercial motor vehicle under the influence of alcohol or a controlled substance;

(b) Driving a commercial motor vehicle while the alcohol concentration of the person's blood or breath or urine is four hundredths percent (0.04%) or more;

(c) Leaving the scene of an accident involving a commercial motor vehicle driven by the person; [~~or~~]

(d) Using a commercial motor vehicle in the commission of any felony listed in KRS 186.560***; or***

(e) Refusing to submit to testing as required by KRS 281A.220.

(2) A person shall be disqualified for life if convicted of two (2) or more violations of any of the offenses specified in subsection (1) of this section or any combination of those offenses, arising from two (2) or more separate incidents. The provisions of this subsection shall ***only*** [~~not~~] apply ***to convictions that occurred after the disqualification dates established by the Federal Highway Administration. The Transportation Cabinet shall set forth those dates in an administrative regulation promulgated pursuant to KRS Chapter 13A*** [~~if one (1) of the convictions was for a violation committed prior to the date of application for a commercial driver's license instruction permit~~].

(3) If any violation specified in subsection (1) of this section occurred while transporting a hazardous material required to be placarded, the person shall be disqualified for a period of three (3) years.

(4) Notwithstanding any other provisions of law, ***a*** [~~no~~] period of suspension, revocation, or disqualification imposed under the provisions of this chapter ***shall not*** [~~may~~] be reduced. However, in accordance with the provisions of Title 49, Code of Federal Regulations, Part 383, the cabinet may establish guidelines including conditions under which a disqualification of not less than ten (10) years may be imposed.

(5) A person shall be disqualified from driving a commercial motor vehicle for life who uses a commercial motor vehicle in the commission of any felony involving the manufacture, distribution, or dispensing of a controlled substance, or possession with intent to manufacture, distribute, or dispense a controlled substance.

(6) A person shall be disqualified from driving a commercial motor vehicle for a period of sixty (60) days if convicted of two (2) serious traffic violations, or one hundred twenty (120) days if convicted of three

(3) serious traffic violations, committed in a commercial motor vehicle arising from separate incidents occurring within a three (3) year period.

(7) A person shall be disqualified for the first offense from driving a commercial motor vehicle for six (6) months if the person has been convicted of committing any of those offenses enumerated in KRS 186.610 involving a commercial motor vehicle, commercial driver's license, or application for that license. For the second and each subsequent offense, the person shall be disqualified from operating a commercial motor vehicle for a period of one (1) year.

(8) The cabinet ***shall*** [~~may~~] deny ***a*** [~~any~~] person a commercial driver's license or ***shall*** [~~may~~] suspend, revoke, or cancel his commercial driving privilege, subject to a hearing when the cabinet has reason to believe that the person refused to submit to a test to determine his alcohol concentration while driving a commercial motor vehicle.

(9) After suspending, revoking, or canceling a commercial driver's license, the Transportation Cabinet shall update its records to reflect that action forthwith. After determining that the commercial driver's privilege should be suspended, revoked, or canceled, the Transportation Cabinet shall notify the licensing authority of the state which issued the commercial driver's license or commercial driver's instruction permit with this information within ten (10) days.

Section 7. KRS 281A.210 is amended to read as follows:

(1) Notwithstanding any other provision of this chapter, a person shall not drive a commercial motor vehicle within this state while having any measurable or detectable amount of alcohol or other controlled substances in his system.

(2) A person who drives a commercial motor vehicle within this state while having any detectable amount of alcohol or controlled substance in his system or who refuses to submit to the test required in KRS 281A.220, shall be placed out of service for twenty-four (24) hours.

(3) ***A*** [~~Any~~] person who drives a commercial motor vehicle within this state with an alcohol concentration of four hundredths percent (0.04%) or more shall be deemed to be operating a vehicle under the influence.

(4) ***A*** [~~Any~~] person who drives a commercial motor vehicle within this state with an alcohol concentration of four hundredths percent (0.04%) or more***, or who refused to submit to the test required in KRS 281A.220,*** in addition to any other sanctions ***that*** [~~which~~] may be imposed under this chapter shall be disqualified from driving a commercial motor vehicle under KRS 281A.190.

Section 8. KRS 281A.220 is amended to read as follows:

(1) A person who drives a commercial motor vehicle within this state shall be deemed to have given his consent to take a test or tests of his blood, breath, or urine for the purpose of determining alcohol concentration, or the presence of other drugs.

(2) A test or tests may be administered ***in accordance with the provisions of KRS 189A.103*** at the direction of a law enforcement officer, who after stopping or detaining the commercial motor vehicle driver has reasonable cause to believe that driver was driving a commercial motor vehicle while having alcohol or drugs in his system. A urine test shall be a test of last resort under the provisions of this section. ***The pretrial suspension provisions and implied consent provisions of KRS Chapter 189A shall be applicable to this section*** [~~If a breath test proves negative, test results shall be permitted to be used as evidence in court as it relates to alcohol concentration in the driver's system~~

~~(3) Any person who is dead, unconscious or who is otherwise in a condition rendering him incapable of refusal shall be deemed not to have withdrawn the consent provided in subsection (1) of this section and the test may be given.~~

~~(4) A person requested to submit to a test as provided in subsection (1) of this section shall be warned by the law enforcement officer requesting the test, that a refusal to submit to the test shall result in that person being immediately placed out of service for a period of twenty-four (24) hours and being disqualified from operating a commercial motor vehicle for the period specified under KRS 281A.190.~~

~~(5) If a driver of a commercial motor vehicle refuses upon the request of a law enforcement officer to submit to a test as provided in subsection (1) of this section, the requesting officer shall warn the person of the effect of his refusal to submit to the test. If the person again refuses, none shall be given but the law enforcement officer shall submit a report signed under the penalty of perjury about the refusal to the cabinet.~~

~~(6) Upon the receipt of the report of the law enforcement officer stating that the officer had reason to believe that the driver was operating a commercial motor vehicle and that the driver refused to submit to a test of his blood, breath, or urine for the purpose of determining that person's alcohol concentration or the presence of other drugs, the cabinet shall immediately serve notice upon the person to appear before the secretary of the Transportation Cabinet or his duly authorized agent and show cause why his license to operate a commercial motor vehicle should not be revoked, or if the person is a nonresident his privilege to operate a commercial motor vehicle within this state should not be revoked; or, if the person is a resident without a commercial motor vehicle license or commercial motor vehicle permit to operate a commercial motor vehicle in this state, why that person should not be denied the issuance of a commercial motor vehicle license or commercial motor vehicle permit. The notice served by the cabinet shall be in writing and mailed to the person by certified mail to the last known resident address of the person.~~

~~(7) The hearing required in subsection (6) of this section shall be scheduled as soon as possible. The hearing examiner appointed by the secretary of the Transportation Cabinet may administer oaths, issue subpoenas for the attendance of witnesses, or issue subpoenas for the telephonic testimony of witness. After having reviewed all the relevant evidence the hearing examiner shall issue a report and recommended order to the secretary or his designee. The secretary or his designee shall within ten (10) days after the completion of the hearing, order either a one (1) year suspension of the commercial motor vehicle license if this is the first offense, a suspension for life if it is the second offense, or an order taking no action and setting forth the reasons. The cabinet shall immediately notify the driver of the secretary's ruling by mailing to him a copy of the report and recommended order and the final order by certified mail.~~

~~(8) If the person fails to attend the hearing without good cause shown, the cabinet shall forthwith revoke the person's commercial motor vehicle driver's license or privilege to operate a commercial motor vehicle or deny issuance of a commercial motor vehicle driver's instruction permit or commercial motor vehicle driver's license.~~

~~(9) If the cabinet suspends the commercial motor vehicle driver's license, the person whose commercial motor vehicle driver's license or commercial motor vehicle driver's instruction permit to drive or nonresident operating privilege has been suspended, or to whom a commercial motor vehicle driver's license or commercial motor vehicle driver's instruction permit is denied, under the provisions of this chapter, may file a petition in the Circuit Court of the county in which the alleged offense was committed or in Franklin Circuit Court to review the final order of revocation or denial by the secretary within twenty (20) days after the final order has been issued~~].

Section 9. KRS 186.018 is amended to read as follows:

For purposes of maintaining driving history records of operators of motor vehicles of the Commonwealth, the files of the Transportation Cabinet shall be used to ascertain the driving history record of each person who is licensed to operate a motor vehicle within the Commonwealth. The Transportation Cabinet shall destroy, and shall not maintain records of moving traffic convictions ***that*** [~~which~~] are more than five (5) years old. Notwithstanding, for any licensee who now holds, who has applied for, or has ever held a Class A, B, or C license issued pursuant to KRS 281A.170, the cabinet shall keep ***conviction*** [~~violation~~] records indefinitely.

Section 10. KRS 281A.160 is amended to read as follows:

(1) The State Police shall be responsible for administering both the knowledge and skills test required by KRS 281A.130.

(2) The State Police, upon request of an applicant who has passed both the vision and knowledge tests, may schedule the applicant for the skills test at the first available test date at a test site designated by the State Police but not less than ten (10) days after the applicant has filed his application.

(3) Notwithstanding subsection (1) of this section, the State Police may authorize a person, including an agency of this or another state, an employer, a private driver training facility, a private institution, or a department, agency, or instrumentality of local government, to administer the knowledge or skills test specified by this section, ***if*** [~~provided~~]:

(a) The test is the same ***that*** [~~which~~] would otherwise be administered by the state; and

(b) The third party has entered into an agreement with this Commonwealth which complies with requirements of Title 49, Code of Federal Regulations, Part 383.75, as adopted by the Transportation Cabinet.

(4) ***Applicants*** [~~No applicant~~] shall be permitted to take the knowledge or skills test for a particular class vehicle ***an unlimited number of times; however, an applicant shall not retest more than one (1) time in any twenty-four (24) hour*** [~~more than twice within any six (6) month~~] period.

(5) ***An*** [~~Any~~] applicant who seeks reinstatement of a commercial driver's license after a suspension, withdrawal, revocation, or disqualification of less than one (1) year shall pay the reinstatement fee as prescribed by KRS 281A.150***(6)***[~~(12)~~] and shall receive his commercial driver's license with all endorsement and restrictions ***that*** [~~which~~] were in effect at the time of suspension. ***An*** [~~Any~~] applicant who seeks reinstatement of a commercial driver's license after a suspension, withdrawal, revocation, or disqualification of one (1) year or more shall submit to the skills, knowledge, and vision tests.

Section 11. The following KRS section is repealed:

281A.250 Nonresident commercial driver's license.

The Committee Amendment No. 1 to **HB 628** is as follows:

Amend printed copy of **HB 628** as follows:

Beginning on page 10, line 1, and continuing through page 14, line 18, by deleting Section 4 in its entirety, and inserting in lieu thereof the following:

"Section 4. KRS 281A.150, as amended by 1992 Acts Chapter 11, Section 2, is amended to read as follows:

(1) Every person seeking a commercial driver's license or a commercial driver's instruction permit shall first apply in person to the circuit clerk of the county in which the applicant resides. The application shall be in the form prescribed by KRS 281A.140 as provided by the cabinet. Each time a person applies for a commercial driver's license, an instruction permit, or seeks to upgrade or change his commercial driver's license, he shall update his application and submit the appropriate fee to the circuit clerk.

(2) ***The cabinet shall set fees by administrative regulation, pursuant to KRS Chapter 13A, for the following applications that shall not exceed:***

(a) Forty dollars ($40) for each application for a commercial driver's license. The fee shall be based on the class, type of license, endorsement, restriction, or tests to be taken;

(b) Thirty-five dollars ($35) for each application for a commercial driver's instruction permit;

(c) Fifteen dollars ($15) for each application for a change or addition in class or type of license, endorsement, or restriction;

(d) Ten dollars ($10) for each application for a duplicate commercial driver's license;

(e) Thirty-five dollars ($35) for each application for renewal of a commercial driver's license;

(f) Sixty dollars ($60) for each application for a transfer of a commercial driver's license; and

(g) Twenty dollars ($20) for each application for a commercial driver's license with an "S" restriction for the following persons:

1. A person who operates a school bus;

2. A person who is employed by a mass transit authority created under the provisions of KRS Chapter 96A;

3. A person who drives a vehicle that is operated under a nonprofit bus certificate established pursuant to KRS 281.619;

4. A person who drives a vehicle registered pursuant to KRS 186.050(6); or

5. A person who drives a fixed route bus system vehicle that is operated by a public entity pursuant to the provisions of KRS Chapter 281. [~~Each application for a commercial driver's license shall be accompanied by a fee to be set by regulation of the cabinet not to exceed forty dollars ($40). The fee amount shall be based on the class or type of license, endorsement, restriction, or tests to~~][~~be taken.~~]

~~(3) Each application for a commercial driver's instruction permit shall be accompanied by a fee to be set by regulation of the cabinet not to exceed thirty-five dollars ($35).~~

~~(4) Each application for a change or addition in class or type of license, endorsement, or restriction shall be accompanied by a fee to be set by regulation of the cabinet not to exceed fifteen dollars ($15) for each change or addition.~~

~~(5) Each application for a duplicate commercial driver's license shall be accompanied by a fee to be set by regulation of the cabinet not to exceed ten dollars ($10).~~

~~(6) Each application for a commercial driver's license renewal shall be accompanied by a fee to be set by regulation of the cabinet not to exceed thirty-five dollars ($35).~~

~~(7) Each application for a transfer of a commercial driver's~~][~~license shall be accompanied by a fee to be set by regulation of the cabinet not to exceed sixty dollars ($60).~~

~~(8) Any person who applies for a Class B or C commercial driver's license with an "S" restriction shall be assessed a fee not to exceed twenty dollars ($20). Any person who applies for a Class B or C commercial driver's license with a "P" restriction who is employed by a mass transit authority created under the provisions of KRS Chapter 96A, a driver of a vehicle being operated under a non-profit bus certificate established pursuant to KRS 281.619, or a driver of a vehicle registered pursuant to KRS 186.050(6), shall be assessed or charged a fee not to exceed twenty dollars ($20)~~].

(3)[~~(9)~~] All fees remitted to the clerk shall be nonrefundable regardless of whether the applicant completes the requirements for a commercial driver's license or is tested.

(4)[~~(10)~~] All fees collected for the issuance of a commercial driver's license or a commercial driver's instruction permit shall be deposited into trust and agency accounts to be used exclusively for the administration and implementation of this chapter, except as prescribed in subsection ***(5)***[~~(11)~~] of this section. The accounts shall not lapse but shall be continuing from year to year.

(5)[~~(11)~~] All fees collected pursuant to this section, shall be allocated between the Transportation Cabinet and Department of State Police, except a fifty cent ($.50) issuance fee shall be allocated during the first two (2) years following the effective date of January 1, 1991, to the Administrative Office of the Courts in a trust and agency account for the use of the circuit clerks and thereafter allocated to the general fund from issuance of a commercial driver's license permit. [~~and~~] A three dollar ($3) issuance fee shall be allocated during the first two (2) years following the effective date of January 1, 1991, to the Administrative Office of the Courts in a trust and agency account for the use of the circuit clerks and thereafter allocated to the general fund from issuance of a commercial driver's license.

(6)[~~(12)~~] Any applicant who seeks reinstatement of his commercial driving privilege after a suspension, withdrawal, revocation, or disqualification shall pay a reinstatement fee of fifty dollars ($50) in addition to those fees required by subsection (2) of this section and shall satisfy the requirements of KRS 281A.160. This fee shall not be required if his commercial driving privilege was withdrawn only as a result of the withdrawal of his privilege to drive a noncommercial motor vehicle.

(7)[~~(13)~~] Any person who qualifies for a commercial driver's license under the provisions of KRS 281A.200 shall pay a fee not to exceed sixty-two dollars ($62).

[~~(14) Any applicant who seeks to retest for the knowledge or~~][~~skills test because of a failing score shall pay a fee to be set by regulation of the cabinet not to exceed twenty dollars ($20) for each test retaken.~~]"; and

On page 29, between lines 12 and 13, by inserting the following:

"SECTION 11. A NEW SECTION OF KRS CHAPTER 281A IS CREATED TO READ AS FOLLOWS:

(1) If the United States Department of Transportation extends the date by which all commercial drivers are required to have a commercial driver's license, the Transportation Cabinet shall by administrative regulation extend the effective date of KRS 281A.090 to match the extended federal date.

(2) It the United States Department of Transportation extends the date for allowing the skills portion of the commercial driver's license test to be waived, the Transportation Cabinet shall by administrative regulation extend the effective date of the waiver to match the extended federal date.

(3) If the United States Department of Transportation extends the date for allowing a state to issue an intrastate medical waiver, the Transportation Cabinet shall by administrative regulation continue to accept applications for medical waivers and, as appropriate, issue intrastate medical waivers until the extended federal date."; and

On page 29, line 13, after the word "Section" and before the period "." by deleting "11" and inserting in lieu thereof "12"; and

On page 29, after line 14, by inserting the following:

"Section 13. Whereas operators who are required to obtain a commercial driver's license must do so by April 1, 1992, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor."

The Committee Title Amendment to **HB 628** is as follows:

Amend printed copy of **HB 628** as follows:

Amend the title after the word "licenses" and before the period "." by inserting the following: "and declaring an emergency".

HJR 124, A JOINT RESOLUTION directing the Secretary of Transportation to name the bridge over Beech Fork River on Kentucky Highway 49 in Nelson County the Avon Fogle Bridge.

WHEREAS, Highway 49 in Nelson County is a heavily travelled road of primary importance to the citizens of Nelson County; and

WHEREAS, Highway 49 crosses over the Beech Fork River; and

WHEREAS, the old bridge on Highway 49 over the Beech Fork River was extremely dangerous and had caused numerous fatal accidents; and

WHEREAS, Avon Fogle, a citizen of Nelson County, was instrumental in a new bridge being constructed on Highway 49 over the Beech Fork River; and

WHEREAS, without the concern and active work of Avon Fogle to save lives by replacing this dangerous bridge, the citizens of Nelson County would remain in peril and the new bridge structure would remain a dream;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Secretary of Transportation shall name the bridge over Beech Fork River on Highway 49 in Nelson County the "Avon Fogle Bridge" in honor of an outstanding citizen, Avon Fogle.

Section 2. That copies of this resolution be delivered to the Secretary of the Transportation Cabinet, the Governor, and the Chief District Engineer of the District No. 4 Highway Office.

Floor Amendments (Continued)

Floor Amendment No. 6 to **HB 485**, by Representative Nunn:

Amend printed copy of **HB 485** as follows:

On page 7, line 20, before "For" insert "***(1)***"; and

On page 7, line 25, bracket and strike through "(1)" and insert in lieu thereof "***(a)***"; and

On page 8, line 13, bracket and strike through "(2)" and insert in lieu thereof "***(b)***"; and

On page 9, after line 13, insert "***(2) Every calendar year, the Interim Joint Committee on Labor and Industry shall determine what prevailing wages have been set in each locality and whether the prevailing wages were set in accordance with subsection (1) of this section. The committee shall forward its determination to the Legislative Research Commission.***"

Floor Amendment No. 2 to the Committee Substitute to **HB 198**, by Representative Bowling:

Amend printed copy of **HB 198/HCS** as follows:

On page 3, line 18, after "~~(d)~~" by inserting a closing bracket and "***(7)***"; and by removing the strikethroughs from the remainder of that line; and

On page 3, lines 19 through 22, by removing the strikethroughs;

On page 3, line 23, before the struckthrough "~~(e)~~" by inserting an opening bracket.

Motions, Petitions and Commuications (Continued)

Representative Reinhardt moved that the vote by which **HB 464** was defeated be reconsidered.

On the roll call the vote was yeas 52—Altman, Arnold, Ballard, Bentley, Blandford, Bruce, Butler, Callahan, Casebier, Castleman, L. Clark, P. Clark, Collins, Cyrus, Deskins, Donnermeyer, Farley, Ford, Gedling, Gee, Gray, J. Harper, K. Harper, Heleringer, Jensen, Johnson, Jones, Kerr, Lewis, Lile, Little, McElroy, Mullinix, Napier, Noland, Northup, Nunn, Reinhardt, Ridley, Riner, Sanders, B. Smith, R. Smith, Strong, Stumbo, Toby, Turner, Walker, Ward, Williams, Zimmerman. Nays 11—Ark, Barrows, Bowling, Brown, Clarke, Geveden, Mason, Moberly, Noe, Riggs, Scorsone.

The motion that the vote by which **HB 464** was defeated be reconsidered was adopted.

Representative Reinhardt moved that **HB 464** be placed in the Orders of the Day for March 6, 1992. Agreed.

Representative Scorsone moved the adoption of the following **HR 172**:

HR 172. A RESOLUTION in honor of Scott Hallam.

WHEREAS, the virus known as Acquired Immune Deficiency Syndrome has been set upon mankind; and

WHEREAS, the World Health Organization has estimated that, to date, worldwide, nine to eleven million persons have been infected with the virus causing A.I.D.S; and

WHEREAS, the World Health Organization has estimated the number of persons infected will triple within the next eight years; and

WHEREAS, the United States has already sustained loss of human life, numbering more than 130,000 persons, as a consequence of this virus; and

WHEREAS, Kentucky has sustained losses among its citizens in excess of five hundred; and

WHEREAS, great human suffering is a constant companion of A.I.D.S., both for its victims, their loved ones, and friends; and

WHEREAS, comparatively few men and women have had the courage to step forward in the midst of public panic, ignorance, and intolerance surrounding this twentieth century epidemic to console those afflicted and their loved ones with compassion, understanding, and advice; and

WHEREAS, these few men and women have unflinchingly given of themselves and their lives to focus on this disease and assist its victims; and

WHEREAS, Scott Hallam, architect extraordinaire, is one of the few, but growing numbers of such courageous men and women; and

WHEREAS, Scott Hallam was the founder of A.I.D.S. Volunteers of Lexington, aka A.V.O.L., an organization intent on rendering assistance to victims and families and providing education to prevent the spread of this virus; and

WHEREAS, Scott Hallam, by personal involvement and example, is an inspriration to all who know him and watch him daily fighting in his battle for life;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this honorable body proudly commends Scott Hallam for his tireless efforts, indomitable spirit, and constant good cheer as he continues to fight the battle against bias and intolerance.

Section 2. That when the House of Representatives adjourns this day, it does so in honor of Scott Hallam.

Section 3. That the Clerk of the House of Representatives is directed to transmit a copy of this Resolution to Representative Ernesto Scorsone for presentation to Mr. Scott Hallam.

HR 172 was adopted by voice vote.

Representative Jones moved the adoption of the following **HR 123**:

HR 123, A RESOLUTION honoring W. B. (Bill) Sanders for his tireless devotion to the working men and women of Kentucky and adjourning in his honor.

WHEREAS, it is appropriate for this honorable body to acknowledge the contributions of special Kentuckians who have enriched the lives of so many people; and

WHEREAS, the unending efforts of W. B. (Bill) Sanders, as a leader in the American labor movement, have contributed to a better quality of life for working families throughout the Commonwealth; and

WHEREAS, W. B. (Bill) Sanders was instrumental in the building of the Jackson House Retirement Center in Paducah, Kentucky; and

WHEREAS, W. B. (Bill) Sanders provided the leadership in the development of the W. B. Sanders, (skilled care) Retirement Center in Paducah, Kentucky; and

WHEREAS, W. B. (Bill) Sanders made a major contribution to the book, "Labor History in Kentucky," which has become a part of the Commonwealth educational curriculum; and

WHEREAS, W. B. (Bill) Sanders has so unselfishly given of himself for over 57 years, and continues to do so daily, for a better standard of living for all working men and women of the Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this august body does hereby express its heartfelt appreciation to Mr. W. B. (Bill) Sanders for his diligent devotion to the working men and women of this Commonwealth.

Section 2. That this venerable institution does hereby recognize and honor W. B. (Bill) Sanders for his leadership and service to the people of western Kentucky, and the Commonwealth in its entirety.

Section 3. That when the House adjourns this day, it does so in honor of Mr. W. B. (Bill) Sanders.

Section 4. That the Clerk of the House is directed to transmit a copy of this Resolution to Mr. W. B. (Bill) Sanders, 6625 Benton Road, Paducah, Kentucky 42003.

HR 123 was adopted by voice vote.

Representative Jones moved the adoption of the following **HR 156**:

HR 156, A RESOLUTION designating Paducah, Kentucky as "Quilt City, U.S.A."

WHEREAS, the City of Paducah is nationally recognized and renowned as the center for quilting in the United States; and

WHEREAS, the citizens of Paducah have made major contributions to the advancement and renewed interest in quilting throughout our country; and

WHEREAS, Paducah is the host to the nation's largest, most important quilt show and contest each year, and is headquarters for the American Quilter's Society; and

WHEREAS, the American Bus Association designated the American Quilters Society's Annual Quilt Show and Contest as one of the 1992 top 100 events in North America; and

WHEREAS, Paducah is home to the nation's largest, most comprehensive museum of quilting, made possible through the dedicated efforts of Meredith and Bill Schroeder;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That Paducah, Kentucky has played an important role in preserving the heritage of this great Commonwealth, and has been successful in renewing the interest in quilting throughout the United States.

Section 2. That Paducah, Kentucky be and is hereby designated "Quilt City, U.S.A."

Section 3. That the Clerk of the House of Representatives is directed to transmit a copy of this Resolution to the Honorable Gerry B. Montgomery, Mayor, City of Paducah, P.O. Box 2267, Paducah, Kentucky 42002-2267.

HR 156 was adopted by voice vote.

Representative Sanders moved the adoption of the following **HR 160**:

HR 160, A RESOLUTION honoring Keith Madison, head coach of the University of Kentucky Batcats baseball team.

WHEREAS, Keith Madison, a native of Edmonson County, started coaching the University of Kentucky baseball team in 1979; and

WHEREAS, on February 15, 1992, Keith Madison won his 400th game against Armstrong State University, in Savannah, Georgia; and

WHEREAS, Keith Madison is the winningest coach in University of Kentucky baseball history; and

WHEREAS, Keith Madison has built a baseball program second to none and has had forty-seven ex-players go on to sign professional contracts;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this august body does hereby honor coach Keith Madison on his 400th win and applauds the success of the Batcat program.

Section 2. That the House of Representatives commends the teamwork and support provided by Associate Coach John Butler, Assistant Coach Chuck Bartlett and Graduate Assistant Coach Steve Clark.

Section 3. That the Clerk of the House of Representatives is directed to transmit four copies of this Resolution to Head Coach Keith Madison, Baseball Office, Memorial Colliseum, University of Kentucky, Lexington, Kentucky 40506.

HR 160 was adopted by voice vote.

Representative Richardson moved the adoption of the following **HR 168**:

HR 168, A RESOLUTION recognizing Clark County's two hundredth anniversary which coincides with Kentucky's Bicentennial Celebration.

WHEREAS, the Clark County Bicentennial Committee is striving for the perfect components of its year-long birthday celebration; and

WHEREAS, the Clark County Bicentennial Committee is making a concentrated effort to accumulate and publish historical information pertaining to Clark County; and

WHEREAS, the bicentennial group's historical committee has divided Clark County's two hundred years into five-year segments and asked for volunteers to research one or two of these segments and talk and write about that time period; and

WHEREAS, several Clark countians have volunteered to become "interpreters" to honor the people and lifestyles of the local history, and will assume a character's identity and speak to civic and school groups; and

WHEREAS, the interior of Holly Rood will serve as the focal point of the celebration; and

WHEREAS, the committee has scheduled, as the inaugural event of the celebration of Clark County's two hundredth anniversary celebration, the planting of a Kentucky Coffee Tree at Holly Rood;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives proudly recognizes Clark County's two hundredth anniversary which coincides with Kentucky's Bicentennial Celebration.

Section 2. That the House of Representatives honors the citizens of Clark County upon the occasion of Clark County's two hundredth year as a part of the Commonwealth.

Section 3. That his honorable body commends the people of Clark County for their dedication toward enhancing the positive image of the Commonwealth and the preservation of historical and cultural aspects of Kentucky, and encourages all the citizens of Clark County to join in the observance of both Clark County's and Kentucky's Bicentennial Celebration.

Section 4. That the Clerk of the House of Representatives is directed to transmit copies of this Resolution to Mayor Clyde Heflin and City Manager Ed Burtner, City Hall, Winchester, Kentucky 40391; County Judge/Executive James B. Allen and Chairman James Kirby, Bicentennial Committee, County Court House, Winchester, Kentucky 40391; and the Winchester Sun, Winchester, Kentucky 40391.

HR 168 was adopted by voice vote.

The following members filed requests to have their names added as co-sponsors to Bills: **HB 198**, Representatives Geveden, Noe; **HB 584**, Representative Keith; **HB 642**, Representative Casebier; **HB 752**, Representatives Arnold, Richards; **HB 817**, Representative Little; **HB 830**, Representative LeMaster.

The following member filed a request to have his name withdrawn as co-sponsor to a Bill: **HB 672**, Representative Bruce.

Representative Bowling moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Bowling moved that he be recorded as voting "yea" on **HB 96**. Agreed.

Representative Strong moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Strong moved that his vote be changed from "yea" to "nay" on **HB 65**. Agreed.

Adjournment

Representative Stumbo moved that the House adjourn until 9:00 a.m., Friday, March 6, 1992.

On the roll call the vote was yeas 80—Ackerson, Adkins, Allen, Altman, Ark, Arnold, Ballard, Bentley, Blandford, Bowling, Brown, Bruce, Bryant, Butler, Callahan, Castleman, L. Clark, P. Clark, Clarke, Coleman, Collins, Crupper, Curd, Cyrus, Donnermeyer, Farley, Farrow, Ford, Freibert, Gee, Gedling, Geveden, Gray, Gregory, Hancock, J. Harper, K. Harper, Hourigan, Johnson, Jones, Kerr, Lear, Lyne, Mack, Maggard, Mason, McElroy, Moberly, Morris, Mullinix, Napier, Nelson, Noe, Noland, Northup, Nunn, Overstreet, Palumbo, Pritchett, Ravenscraft, Reinhardt, Richards, Ridley, Riner, Sanders, Scorsone, Sheehan, R. Smith, T Smith, Strong, Stumbo, Toby, Todd, Turner, Walker, Ward, Williams, Worthington, Yates, Zimmerman. Nays 6—Bronger, Casebier, Heleringer, LeMaster, Lile, Riggs.

The motion to adjourn was adopted.

FRIDAY, MARCH 6, 1992

THIRTY-NINTH LEGISLATIVE DAY

The House was called to order by Speaker Blandford.

Prayer by Brother Joe Hill, Church of Christ, Tomahawk.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative McElroy moved that the reading of the Journal of March 5, 1992 be dispensed with and the same approved. Agreed.

Senate Message

Announcing passage of **SB 221, SB 251, SB 275, SB 305, HCR 13,** with Senate Committee Amendment, and **HB 207.** (Time: 9:05 a.m.)

Introduction of Bills and Resolutions

HR 177, by Representative Wayne: A RESOLUTION honoring the Saint Xavier High School Tigers boys' swim team for winning the State High School Swimming Championships.

Posting of Bills and Resolutions for Consideration

The Clerk announced that the following Bills have been posted for Committee consideration:

Judiciary: **HB 802, SB 6, SB 47, SB 116, SB 160, SB 172, SB 210, HB 689, HB 692, HB 766, HB 546, HB 710, HB 39, HB 328, HB 368, HB 500, HB 712, HB 756, HB 757**

Tourism Development and Energy: **HB 817**

Education: **HB 695, HB 787, HB 807, HB 871, HB 848**

Calendar

HB 49, HB 206, HB 318, HB 496, HB 540, HB 647, HB 387, HB 470, HB 512, HB 524, HB 562, HB 652, HB 684, HB 685, HB 727, HB 319, HB 456, HB 637, HB 683, HB 686, HB 690, HB 693, SJR 67, HB 32, HB 436, HB 549, HB 584, HB 617, HB 620, HB 628 and **HJR 124** taken from the Calendar and ordered read at length for the second time. Representative Stumbo moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Recess

Representative Stumbo moved that the House recess for five minutes for a meeting of the Committee on Rules. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Floor Amendments

Floor Amendment No. 1 to **HB 646,** by Representative LeMaster:

Amend printed copy of **HB 646** on page 1, by deleting lines 3, 4, 5, and 6 in their entirety, and inserting in lieu thereof:

"The addresses, telephone numbers, and places of employment of victims of crimes maintained by a Commonwealth's attorney or county attorney shall not be subject to the provisions of KRS 61.870 to 61.884."

Representative Stumbo moved that the rules be suspended for a report of the Committee on Rules. Agreed.

Report of Committees

The Committee on Rules reported that **HB 427**, **HB 616**, **HB 49**, **HB 319**, **HB 470**, **HB 524**, **HB 562**, **HB 617**, **HB 628**, **HB 683**, **HB 684**, **HB 686**, **HB 690**, **HB 693**, **HB 727**, **HJR 124** and **SJR 67** have been posted for passage in the Orders of the Day for March 10, 1992.

The Committee on Rules reported that the following Bills have been recommitted:

Appropriations and Revenue: **HB 680**, **HB 681**, **HB 738**

Floor Amendments (Continued)

Floor Amendment No. 4 to the Committee Substitute to **HB 241**, by Representative Lear:

Amend printed copy of **HB 241/HCS** on page 49, between lines 18 and 19, to insert the following:

"Section 29. KRS 422A.0412 is amended to read as follows:

422A.0412 (KRE 412) (EFFECTIVE JULY 1, 1992, IF ADOPTED BY THE KENTUCKY SUPREME COURT) Rape and similar cases — Admissibility of victim's character and behavior.

(1) Reputation or opinion. Notwithstanding any other provision of law, in a criminal prosecution under KRS Chapter 510 or for attempt or conspiracy to commit an offense defined in KRS Chapter 510, ***or KRS 530.020,*** reputation or opinion evidence related to the sexual behavior of an alleged victim is not admissible.

(2) Particular acts and other evidence. Notwithstanding any other provision of law, in a criminal prosecution under KRS Chapter 510***, or KRS 530.020,*** or for attempt or conspiracy to commit an offense defined in KRS Chapter 510, evidence of a victim's past sexual behavior other than reputation or opinion evidence is also not admissible, unless such evidence is admitted in accordance with subsection (3) and is:

(a) Evidence of past sexual behavior with persons other than the accused, offered by the accused upon the issue of whether the accused was or was not, with respect to the alleged victim, the source of semen or injury;

(b) Evidence of past sexual behavior with the accused and is offered by the accused upon the issue of whether the alleged victim consented to the sexual behavior with respect to which an offense is alleged; or

(c) Any other evidence directly pertaining to the offense charged.

(3) (a) Motion to offer evidence. If the person accused of committing an offense described above intends to offer under subsection (2) evidence of specific instances of the alleged victim's past sexual behavior, the accused shall make a written motion to offer such evidence not later than fifteen (15) days before the date on which the trial in which such evidence is to be offered is scheduled to begin, except that the court may allow the motion to be made at a later date, including during trial, if the court determines either that the evidence is newly discovered and could not have been obtained earlier through the exercise of due diligence or that the issue to which such evidence relates has newly arisen in the case.

(b) Hearing on motion. The motion described in the preceding paragraph shall be accompanied by a written offer of proof. If the court determines that the offer of proof contains evidence described in subsection (2), the court shall order a hearing in chambers to determine if such evidence is admissible. At such hearing the parties may call witnesses, including the alleged victim, and offer relevant evidence. Notwithstanding subsection (2) of KRS 422A.0104 (KRE 104), if the relevancy of the evidence which the accused seeks to offer in the trial depends upon the fulfillment of a condition of fact, the court, at the hearing in chambers or at a subsequent hearing in chambers scheduled for such purpose, shall accept evidence on the issue of whether such condition of fact is fulfilled and shall determine such issue.

(c) Findings and order. If the court determines on the basis of the hearing described in the preceding paragraph that the evidence which the accused seeks to offer is relevant and that the probative value of such evidence outweighs the danger of unfair prejudice, such evidence shall be admissible in the trial to the extent an order made by the court specifies evidence which may be offered and areas with respect to which the alleged victim may be examined or cross-examined.

(4) Definition. For purposes of this rule, the term "past sexual behavior" means sexual behavior other than the sexual behavior with respect to which the offense being tried is alleged to have occurred.

Floor Amendment No. 5 to the Committee Substitute to **HB 241**, by Representative Lear:

Amend printed copy of **HB 241/HCS** on page 49, between lines 19 and 20, to add the following "KRS 421.210. Person not to testify in his own behalf-Exceptions."

Floor Amendment No. 1 to **HB 483**, by Representative Noe:

Amend printed copy of **HB 483** on page 3, line 14, by adding thereafter: ***"The estimate of current capacity shall be used to calculate payments made pursuant to subsection (1) of this section after the effective date of this Act, but shall not be used to recalculate past payments."***.

Orders of the Day

HB 416, with Committee Substitute and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Pritchett moved the adoption of the Committee Substitute to **HB 416**. Agreed.

Representative Riggs moved the adoption of Floor Amendment No. 1 to the Committee Substitute to **HB 416**. Rejected.

Representative Pritchett moved that **HB 416**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 88, Nays 7. (See March 6, 1992 roll call on **HB 416** - Appendix.)

HB 416, by way of Committee Substitute, was passed and the title agreed to.

Representative Pritchett moved that the vote by which **HB 416**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 559, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Crupper moved the adoption of the Committee Substitute to **HB 559**. Agreed.

Representative Crupper moved that **HB 559**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 99, Nays 0. (See March 6, 1992 roll call on **HB 559** - Appendix.)

HB 559, by way of Committee Substitute, was passed and the title agreed to.

Representative Crupper moved that the vote by which **HB 559**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported that **SB 96** has been examined and found correctly enrolled. Said Bill was read at length, compared and signed in open session by the Speaker, and ordered delivered to the Senate. (Time - 9:36 a.m.)

Orders of the Day (Continued)

HB 345, with Committee Amendment and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Long moved the adoption of Committee Amendment No. 1 to **HB 345**. Agreed.

Representative Long moved the adoption of Floor Amendment No. 1 to **HB 345**. Agreed.

Representative Long moved that **HB 345**, as amended, be passed.

On the roll call the vote was: Yeas 87, Nays 8. (See March 6, 1992 roll call on **HB 345** - Appendix.)

HB 345, as amended, was passed and the title agreed to.

Representative Long moved that the vote by which **HB 345**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 555 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Long moved that **HB 555** be passed.

On the roll call the vote was: Yeas 95, Nays 1. (See March 6, 1992 roll call on **HB 555** - Appendix.)

HB 555 was passed and the title agreed to.

Representative Long moved that the vote by which **HB 555** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 656 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Adkins moved that **HB 656** be passed.

On the roll call the vote was: Yeas 96, Nays 0. (See March 6, 1992 roll call on **HB 656** - Appendix.)

HB 656 was passed and the title agreed to.

Representative Adkins moved that the vote by which **HB 656** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 481, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Mason moved the adoption of the Committee Substitute to **HB 481**. Agreed.

Representative Mason moved that **HB 481**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 95, Nays 0. (See March 6, 1992 roll call on **HB 481** - Appendix.)

HB 481, by way of Committee Substitute, was passed and the title agreed to.

Representative Mason moved that the vote by which **HB 481**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 484, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Ridley moved the adoption of the Committee Substitute to **HB 484**. Agreed.

Representative Ridley moved that **HB 484**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 96, Nays 0. (See March 6, 1992 roll call on **HB 484** - Appendix.)

HB 484, by way of Committee Substitute, was passed and the title agreed to.

Representative Ridley moved that the vote by which **HB 484**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 569, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Noland moved the adoption of Committee Amendment No. 1 to **HB 569**. Agreed.

Representative Noland moved that **HB 569**, as amended, be passed.

On the roll call the vote was: Yeas 96, Nays 0. (See March 6, 1992 roll call on **HB 569** - Appendix.)

HB 569, as amended, was passed and the title agreed to.

Representative Noland moved that the vote by which **HB 569**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 700, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Callahan moved the adoption of Committee Amendment No. 1 to **HB 700**. Agreed.

Representative Callahan moved that **HB 700**, as amended, be passed.

On the roll call the vote was: Yeas 90, Nays 2. (See March 6, 1992 roll call on **HB 700** - Appendix.)

HB 700, as amended, was passed and the title agreed to.

Representative Callahan moved that the vote by which **HB 700**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Floor Amendments (Continued)

Floor Amendment No. 1 to the Committee Substitute to **HB 32**, by Representative K. Harper:

Amend printed copy of **HB 32/HCS** on page 1, line 3, after the "*(1)*" by inserting the following:

"***Except as otherwise provided in this section,***"; and

On page 1, line 19, after the word "***value***" and before the comma by inserting the following: "***of the property***"; and

On page 2, line 4, after the "*(3)*" by inserting the following:

"***The provisions of this section shall not apply if the number of households affected is five (5) or less; however, any***" and by deleting the word "***The***".

Floor Amendment No. 6 to the Committee Substitute to **HB 241**, by Representative Sheehan:

Amend printed copy of **HB 241/HCS** on page 22, beginning on line 14, to delete the existing text of Section 15 in its entirety and insert the following in lieu thereof:

"(1) General rule. For the purpose of reflecting upon the credibility of a witness, evidence that the witness has been convicted of a crime shall be admitted if elicited from the witness or established by public record if denied by the witness, but only if[~~:~~

~~(a)~~] the crime was punishable by death or imprisonment for one (1) year or more under the law under which the witness was convicted[~~, or the crime involved dishonesty or false statement, regardless of the punishment; and~~

~~(b) The court determines that the probative value of admitting this evidence on the issue of credibility outweighs its prejudicial effect on the opposing party~~].

The identity of the crime upon which conviction was based may not be disclosed upon cross-examination unless the witness has denied the existence of the conviction. However, a witness against whom a conviction is admitted under this provision may choose to disclose the identity of the crime upon which the conviction is based.

(2) Time limit. Evidence of a conviction under this rule is not admissible if a period of more than ten (10) years has elapsed since the date of the conviction unless the court determines that the probative value of the conviction substantially outweighs its prejudicial effect.

(3) Effect of pardon, annulment, or certificate of rehabilitation. Evidence of a conviction is not admissible under this rule if[~~:~~

~~(a) The conviction has been the subject of a pardon, annulment, certificate of rehabilitation, or other equivalent procedure based on a finding of the rehabilitation of the person convicted, and that person has not been convicted of a subsequent crime which was punishable by death or imprisonment of one (1) year or more; or~~

~~(b)~~] the conviction has been the subject of a pardon, annulment, or other equivalent procedure based on a finding of innocence.

[~~(4) Juvenile adjudications. Evidence of juvenile adjudications is generally not admissible under this rule. The court may, however, in a criminal case allow evidence of a juvenile adjudication of a witness other than the accused if conviction of the offense would be admissible to attack the credibility of an adult and the court is satisfied that admission in evidence is necessary for a fair determination of the issue of guilt or innocence.~~

~~(5) Pendency of appeal. The pendency of an appeal therefrom does not render evidence of a conviction inadmissible. Evidence of the pendency of an appeal is admissible.~~]".

Orders of the Day (Continued)

HB 703, with Committee Amendment and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Sheehan moved the adoption of Committee Amendment No. 1 to **HB 703**. Agreed.

Representative Sheehan moved the adoption of Floor Amendment No. 1 to **HB 703**. Agreed.

Representative Sheehan moved that **HB 703**, as amended, be passed.

On the roll call the vote was: Yeas 53, Nays 25. (See March 6, 1992 roll call on **HB 703** - Appendix.)

HB 703, as amended, was passed and the title agreed to.

Representative Sheehan moved that the vote by which **HB 703**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 485, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cyrus moved that **HB 485** be passed.

Representative Long moved the adoption of Floor Amendment No. 1 to **HB 485**.

On the roll call the vote was yeas 37—Allen, Altman, Ark, Arnold, Barrows, Bryant, Clarke, Coleman, Crupper, Curd, Farrow, Ford, Freibert, Gedling, Gregory, Hancock, J. Harper, K. Harper, Jensen, Keith, Lear, LeMaster, Long, Lyne, Mack, Mullinix, Northup, Nunn, Pritchett, Rapier, B. Smith, Stokes, Toby, Todd, Turner, Walker, Williams. Nay 50—Ackerson, Adkins, Bentley, Blandford, Bowling, Bronger, Brown, Bruce, Burch, Butler, Casebier, Castleman, L. Clark, P. Clark, Collins, Cyrus. Deskins, Donnermeyer, Farley, Geveden, Gray, Heleringer, Hourigan, Jones, Kerr, Lewis, Lile, Little, Maggard. Mason, Moberly, Nelson, Noe, Overstreet, Palumbo, Ravenscraft, Reinhardt, Ridley, Riggs, Riner, Scorsone, Sheehan, R. Smith, T. Smith, Strong, Stumbo, Ward, Wayne, Yates, Zimmerman.

Floor Amendment No. 1 to **HB 485** was rejected.

Representative Farrow moved the adoption of Floor Amendment No. 5 to **HB 485**.

On the roll call the vote was yeas 32—Allen, Altman, Ark, Arnold. Bryant, Clarke, Coleman, Crupper, Farrow, Ford, Freibert, J. Harper, K. Harper, Jensen, Keith, Lear. LeMaster, Long, Lyne, Northup, Nunn, Rapier, Richards, Sanders, B. Smith, Stokes, Toby, Todd, Turner, Walker, Williams, Zimmerman. Nays 53—Ackerson, Adkins, Ballard, Bentley, Blandford, Bowling, Bronger, Brown, Bruce, Burch, Butler, Callahan, Casebier, Castleman, L. Clark, P. Clark, Collins, Cyrus, Deskins, Donnermeyer, Farley, Gedling, Geveden, Gray, Hatcher, Hourigan, Johnson, Jones, Kerr, Lewis, Lile, Little, Maggard, Mason, McElroy, Moberly, Nelson, Noe, Overstreet, Palumbo, Ravenscraft, Reinhardt, Ridley, Riggs, Riner, Scorsone, Sheehan, R. Smith, Stumbo, Ward, Wayne, Worthington, Yates.

Floor Amendment No. 5 to **HB 485** was rejected.

On the roll call on the passage of **HB 485** the vote was: Yeas 57, Nays 40. (See March 6, 1992 roll call on **HB 485** - Appendix.)

HB 485 was passed and the title agreed to.

Representative Cyrus moved that the vote by which **HB 485** was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported that **HB 207** has been examined and found correctly enrolled. Said Bill was read at length, compared and signed in open session by the Speaker, and ordered delivered to the Senate. (Time - 10:37 a.m.))

Motions, Petitions and Communications

Representative Stumbo moved that the rules be suspended for Introduction of Resolutions, Report of Committees, Posting of Bills and Resolutions for Consideration and to allow co-sponsors. Agreed.

Introduction of Bills and Resolutions

HR 178, by Representatives Zimmerman and LeMaster: A RESOLUTION celebrating Cawood Ledford of Cawood, Kentucky, and adjourning in his honor.

HR 179, by Representative Gray: A RESOLUTION recognizing April 5-12 as "Realists Week" in honor of the members of the National Association of Real Estate Brokers, Incorporated.

Reference of Bills and Resolutions

The Clerk reported that the Committee on Committees has referred the following Bills and Resolutions:

Agriculture and Small Business: **HCR 171, HB 880**

Appropriations and Revenue: **HCR 169, HCR 174, HCR 176, HB 883, HB 901, HB 944**

Banking and Insurance: **HB 877, HB 887, HB 915, HB 918**

Business Organizations and Professions: **HB 902**

Cities: **HB 906, HB 917, HB 945, HB 946**

Counties and Special Districts: **HB 882, HB 885, HB 942**

Economic Development: **HCR 170**

Education: **SB 237, SB 248, HB 884, HB 888, HB 889, HB 900, HB 907, HB 922, HB 933, HB 947**

Elections and Constitutional Amendments: **HB 923**

Health and Welfare: **HB 898, HB 903, HB 904, HB 927, HB 928, HB 929, HB 931, HB 934**

Judiciary: **HB 879, HB 881, HB 893, HB 896, HB 909, HB 910, HB 912, HB 932, HB 935, HB 938, HB 943**

Labor and Industry: **HB 878, HB 886, HB 911, HB 930, HB 937**

Natural Resources and Environmental Protection: **HB 894, HB 895, HB 936, HB 939, HB 890**

State Government: **SB 220, SB 267, HCR 175, HB 876. HB 892, HB 899, HB 908, HB 921, HB 925, HB 926, HB 948**

Tourism Development and Energy: **HB 891, HB 897, HB 913, HB 914, HB 916, HB 919, HB 920, HB 940**

Transportation: **HB 924, HB 941, HB 905**

Floor Amendments (Continued)

Floor Amendment No. 1 to the Committee Substitute to **HB 605**, by Representative L. Clark:

Amend printed copy of **HB 605/HCS** on page 2, line 6, by deleting the statutory reference "***243.180***" and inserting in lieu thereof "***243.150***".

Posting of Bills and Resolutions for Consideration

The Clerk announced that the following Bills and Resolutions have been posted for Committee consideration:

Natural Resources and Environmental Protection: **HB 567**

Elections and Constitutional Amendments: **HCR 153**

Cities: **HB 832**

Agriculture and Small Business: **HB 811, HB 791**

Labor and Industry: **HCR 166, HB 655**

Business Organizations and Professions: **HB 450, HB 853, HB 831**

Appropriations and Revenue: **HB 554, HB 665, HB 704, HB 707, HB 698**

Banking and Insurance: **HB 548, HB 638, HB 649, HB 850, HB 859**

Transportation: **HB 658, HB 708, HB 731, HJR 130, HJR 147, HJR 148, SB 70**

Tourism Development and Energy: **HB 803, HB 818, HB 828. HB 844, HCR 154**

State Government: **HB 650, HB 337, HB 865, HB 250, HCR 158, HB 444, HB 475, HB 533, HB 619, HB 660, HB 737, HB 758, HB 778, HB 781, HB 797. HB 805, HB 809, HB 816, HB 819, HB 820, HB 822. HB 858, HB 861, SB 49, SB 192, SJR 37**

Motions, Petitions and Communications (Continued)

Representative Zimmerman moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Zimmerman moved the adoption of the following **HR 178**:

HR 178, A RESOLUTION celebrating Cawood Ledford of Cawood, Kentucky, and adjourning in his honor.

From time to time this venerable institution must pause its busy deliberations to take note of momentous events.

WHEREAS. Cawood Ledford, the most-honored, most-celebrated, and most-revered sportscaster in Kentucky history has announced his retirement as the University of Kentucky's play-by-play basketball and football announcer: and

WHEREAS. the "Voice of the Wildcats," has, for the past thirty-nine years, been the link between the Wildcat basketball and football teams and the legions of Big Blue Fans; and

WHEREAS. Cawood Ledford's fame has spread far and wide since he began his broadcasting career in 1951 at WHLN in Harlan; and

WHEREAS, highlights of Cawood Ledford's illustrious career include being inducted into the Kentucky Sports Hall of Fame; being the first sportscaster to be inducted into the Kentucky Journalism Hall of Fame; being only the second recipient of the "Distinquished Professional Journalist" award given by the Louisville Chapter of the Society of Professional Journalists; and, being awarded the racing industry's highest honor, the prestigious Eclipse Award, three times; and

WHEREAS, twenty-two times, Cawood Ledford has been voted "Sportscaster of the Year" for the state of Kentucky, and on four occasions, has been named the top college basketball announcer in the nation;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this august body does hereby celebrate the outstanding accomplishments and retirement of Cawood Ledford, the legendary "Voice of the Wildcats."

Section 2. That the House of Representatives pays homage to Cawood Ledford, a sportscaster for all seasons, who has become, and will remain, the standard by which all other sportscasters are measured, and adjourns this day in his honor.

Section 3. That the Clerk of the House of Representatives is directed to transmit a copy of this Resolution to Cawood Ledford, Tudor Square, Suite C-101, 120 Kentucky Avenue, Lexington, Kentucky 40502.

HR 178 was adopted by voice vote.

Representative Zimmerman moved that a call of the roll be taken to show co-sponsors of **HR 178.**

On the roll call the vote was yeas 99—Ackerson, Adkins, Allen, Altman, Ark, Arnold, Ballard, Barrows, Bentley, Blandford, Bowling, Bronger, Brown, Bruce, Bryant, Burch, Butler, Callahan, Casebier, Castleman, L. Clark, P. Clark, Clarke, Coleman, Collins, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Farley, Farrow, Ford, Freibert, Gedling, Gee, Geveden, Gray, Gregory, Hancock, J. Harper, K. Harper, Hatcher, Heleringer, Hourigan, Jensen, Johnson, Jones, Keith, Kerr, Lear, LeMaster, Lewis, Lile, Little, Long, Lyne, Mack, Maggard, Mason, McElroy, Moberly, Morris, Mullinix, Napier, Nelson, Noland, Northup, Nunn, Overstreet, Palumbo, Pritchett, Rapier, Ravenscraft, Reinhardt, Richards, Richardson, Ridley, Riggs, Riner, Sanders, Scorsone, Sheehan, B. Smith, R. Smith, T. Smith, Stokes, Strong, Stumbo, Toby, Todd, Turner, Walker, Ward, Wayne, Williams, Worthington, Yates, Zimmerman. Nays 0.

Floor Amendments (Continued)

Floor Amendment No. 2 to the Committee Substitute to **HB 433**, by Representative Morris:

Amend printed copy of **HB 433/HCS** on page 6, after line 15 by inserting;

"Section 4. KRS 304.33-330 is amended to read as follows:

(1) Mutual debts or mutual credits, whether arising out of one (1) or more contracts, between the insurer and another person in connection with any action or proceeding under this subtitle shall be setoff and the balance only shall be allowed or paid, except as provided in subsections (2) of this section and KRS 304.33-215.

(2) Setoff shall not be allowed in favor of any person if:

(a) The obligation of the insurer to the person would not at the date of the filing of a petition for rehabilitation or liquidation entitle the person to share as a claimant in the assets of the insurer;

(b) The obligation of the insurer to the person was purchased by or transferred to the person with a view to its being used as a setoff;

(c) The obligation of the insurer is owed to an affiliate of the person, or any other entity or association other than the person;

(d) The obligation of the person is owed to an affiliate of the insurer, or any other entity or association other than the insurer;

(e) The obligation of the person is to pay an assessment levied against the members or subscribers of the insurer, is to pay a balance upon a subscription to the capital stock of the insurer, or is in any other way in the nature of a capital contribution; or

(f) The obligations between the person and the insurer arise out of transactions where either the person or the insurer has assumed risks and obligations from the other party and then has ceded back to that party substantially the same risks and obligations.

(3) The rehabilitator or liquidator shall provide persons with accounting statements identifying debts which are due and payable. Where a person owes to the insurer amounts which are due and payable, against which the person asserts setoff of mutual credits which may become due and payable from the insurer in the future, the person shall promptly pay to the rehabilitator or liquidator the amounts due and payable; provided that, notwithstanding KRS 304.33-430, the rehabilitator or liquidator shall promptly and fully refund to the extent of the person's prior payments, any mutual credits that become due and payable to the person by the insurer.

(4) These amendments shall apply to all contracts entered into, renewed, extended, or amended on or after six (6) months from the effective date of this Act. For purposes of this section, any change in the terms of, or consideration for, any contract shall be an amendment."; and

On page 6, line 16, after "SECTION" by deleting *"4"* and inserting in lieu thereof *"5"*.

Motions, Petitions and Communications (Continued)

Representative Farrow moved the adoption of the following Legislative Citation No. 41. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby honors and commends Robert Taylor Breeze upon this his semi-centurial birthdate. During these five decades of his ignoble life Robert Taylor Breeze has imbibed, wooed, putted, philandered, debauched and cuckolded until his name is legion and the lecherous. This honorable body does commend his longevity and transmits its best wishes as he glides into his most golden years.

Representative Gray moved the adoption of the following **HR 179**:

HR 179, A RESOLUTION recognizing April 5-12 as "Realtists Week" in honor of the members of the National Association of Real Estate Brokers, Incorporated.

WHEREAS, the National Association of Real Estate Brokers, Incorporated was founded in 1947 and is an integrated entity open to qualified practitioners of all races; and

WHEREAS, these members are called Realtists and have become the voice and the conscience of the proponents of equal housing opportunities for all citizens; and

WHEREAS, rightly so, the Realtists commendable motto is "Democracy in Housing;"

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives praises the laudable efforts of the Realtists Organization.

Section 2. That this honorable body hereby recognizes April 5-12 as "Realtists Week."

Section 3. That the Clerk of the House is directed to transmit a copy of this Resolution to Frank A. Clay, President, National Association of Real Estate Brokers, Incorporated, 1629 K. Street, N.W., Suite 605, Washington, D.C. 20006.

HR 179 was adopted by voice vote.

Representative Ward moved the adoption of the following Legislative Citation No. 42. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby honors and commends United States Senator Wendell Ford for your dedicated service to the people of the Commonwealth through your leadership role in the United States Senate. Your distinguished services are symbolized with perseverance and profound concern for your beloved fellow citizen.

This prestigious body joins Representative Mike Ward in expressing our admiration, respect and appreciation for a great Kentuckian, a great Democrat and a true American statesman. We extend our very best wishes for a long and continued successful future.

Representative Barrows moved the rules be suspended for the purpose of recording votes. Agreed.

Representative Barrows moved that he be recorded as voting "yea" on **HB 656**, **HB 481**, **HB 484**, **HB 569** and **HB 700**. Agreed.

Representative Richards moved that the rules be suspended for the purpose of recording votes. Agreed.

Representative Richards moved that his vote be changed from "yea" to "nay" on **HB 161** and **HB 569**. Agreed.

Representative Richards moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Richards moved that his vote be changed from "abstain" to "yea" on **HB 559**. Agreed.

The following members filed requests to have their names added as co-sponsors to Bills: **HB 559**, Representative Ravenscraft; **HB 880**, Representative Turner.

Representative Stumbo moved that no further business be conducted on this day other than Report of Committees and Adjournment. Agreed.

Representative Stumbo moved that the rules be suspended for the purpose of announcing plans for adjourning the House of Representatives for this day. Agreed.

Representative Stumbo moved that when the House does adjourn, it does so by voice vote. Agreed.

Representative Stumbo moved that when the House does adjourn, it adjourns until 4:00 p.m., March 9, 1992. Agreed.

Representative Stumbo moved that the House stand at ease to await Committee reports. Agreed.

The Speaker Pro Tempore called the House to order.

Report of Committees (Continued)

The Committee on Appropriations and Revenue reported **HB 451**, **HB 467** and **HB 468**, with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 451, AN ACT making appropriations for the operations, maintenance, support and functioning of the judicial branch of the government of the Commonwealth of Kentucky and its various officers, boards, commissions, subdivisions, and other state supported activities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

PART I

GENERAL FUND

There is appropriated out of the general fund, restricted fund accounts or federal funds accounts for the fiscal year beginning July 1, 1992, and ending June 30, 1993, and for the fiscal year beginning July 1, 1993, and ending June 30, 1994, the following sums to be used for the purposes of the judicial branch of the government of the Commonwealth of Kentucky including the Supreme Court, Court of Appeals, Circuit Court, District Court, the Administrative Office of the Courts, pretrial services, juvenile services, judicial boards and commissions, the State Law Library, court security, judicial retirement, local facility fund and for services performed by the Circuit Clerks' offices, including both circuit and district court support:

1. Court of Justice

    a. To the Court of Justice, for court operation and administration

	1992-93	1993-94
General Fund	$ 84,655,100	$ 87,175,800
Restricted Funds	101,000	101,000
Federal Funds	67,600	22,500
Total	$ 84,823,700	$ 87,299,300

Funds are included to provide a two percent (2%) salary adjustment in fiscal year 1992-93 for employees making less than $20,000 a year and a three percent (3%) salary adjustment in fiscal year 1993-94 for all elected and non-elected court personnel.

b. To the Court of Justice, for the local facility fund

	1992-93	1993-94
General Fund	$ 12,629,600	$ 13,000,000

Total Court of Justice

	1992-93	1993-94
General Fund	$ 97,284,700	$100,175,800
Restricted Funds	101,000	101,000
Federal Funds	67,600	22,500
Total	$ 97,453,300	$100,299,300

2. Judicial Form Retirement System

a. To the board of trustees of the Judicial Form Retirement System, for funding and operation of the judicial retirement plan

	1992-93	1993-94
General Fund	$ 2,112,300	$ 2,124,000

Funds are included to provide a three percent (3%) cost-of-living adjustment effective July 1, 1993, in retirement benefits based on service that terminated prior to July 1, 1993.

Total Judicial Branch

	1992-93	1993-94
General fund	$ 99,397,000	$102,299,800
Restricted Funds	101,000	101,000
Federal Funds	67,600	22,500
Total	$ 99,565,600	$102,423,300

Any unexpended balance remaining in the Court of Justice's restricted accounts or federal funds accounts at the close of the fiscal years ending June 30, 1992 and June 30, 1993 shall not lapse.

In the event the Court of Justice receives receipts in excess of the amounts appropriated herein, the director of the Administrative Office of the Courts at the direction of the Chief Justice may authorize the credit and expenditure of the restricted funds or federal funds receipts for statutory purposes. The director of the Administrative Office of the Courts shall notify on a timely basis the Legislative Research Commission of the most current estimates of anticipated receipts for the affected fiscal year and an accompanying statement which explains the variations from the anticipated amount.

PART II

GENERAL PROVISIONS

1. The director of the Administrative Office of the Courts with the approval of the Chief Justice may expend any of the funds appropriated for the court operation and administration in any lawful manner and for any legal purpose which the Chief Justice shall authorize or direct. No executive agency of state government shall have the power to restrict or limit the expenditure of funds appropriated to the judicial branch of government.

2. In enacting this appropriations Act, it is the deliberate intention of the General Assembly to enact each section, and each subsection thereof as a separate and specific appropriation and law, and if any section, any subsection, or any provisions thereof shall be invalid or unconstitutional, the decision of the courts shall not affect or impair any of the remaining sections, subsections, or provisions contained herein.

3. The Court of Justice shall not incur any obligation for any program against the general fund appropriation contained herein unless the program may be reasonably determined to have been contemplated by the proposed judicial budget, as modified and enacted, and supported by the budget memorandum and other records pertaining thereto.

4. The Chief Justice shall cause the director of the Administrative Office of the Courts to prepare a final budget document reflecting the 1992-94 biennial budget of the Court of Justice. A copy shall be provided to the Legislative Research Commission and an informational copy shall be furnished to the Finance and Administration Cabinet within thirty (30) days of the adjournment of the 1992 session of the General Assembly.

PART III

BUDGET REDUCTION PLAN

In accordance with KRS 48.130, if the projected or actual general fund revenues are certified to be at least two and one-half percent (2 1/2%) but not more than five percent (5%) less than the revenue estimates, and in the event that there is insufficient unrestricted monies in the General Fund Surplus Account or in the budget reserve trust fund for the prorata share of all branches, the general fund allotment shall be reduced as follows: (1) reduction in the operating and administrative cost associated with the Court of Justice and (2) respective reductions in the funding for the judicial form retirement system.

PART IV

SURPLUS EXPENDITURE PLAN

In accordance with KRS 48.140, if the projected or actual general fund revenues are certified to be up to two and one-half percent (2 1/2%) greater than the revenue estimates, the general fund allotment shall be distributed as follows: (1) increase funding for the operations and administration of the Court of Justice and (2) increase funding for the judicial form retirement system.

HB 467, AN ACT making appropriations for operations, maintenance, and support of the legislative branch of the government of the Commonwealth of Kentucky.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

PART I

OPERATING BUDGET

Funds are appropriated to the Legislative Research Commission out of the General Fund, restricted agency fund accounts, or federal funds accounts for the fiscal year beginning July 1, 1992, and ending June 30, 1993, and for the fiscal year beginning July 1, 1993, and ending June 30, 1994, in the following discrete sums, or so much thereof as may be necessary. Each appropriation is made by source of respective fund or funds accounts to be used for the purposes of the legislative branch of government of the Commonwealth of Kentucky.

	1992-93	1993-94
1. General Assembly		
General Fund	$ 5,798,300	$ 9,264,800

The above appropriation to the General Assembly includes funds for the Legislators Retirement Plan in the amount and for the purpose set forth in the plan's budget workpapers.

2. Legislative Research Commission		
General Fund	$16,355,400	$17,022,500
Restricted Funds	430,000	125,000
Federal Funds	100	100
Total	$16,785,500	$17,147,600

The total number of permanent full-time employees hired by the Legislative Research Commission with the above appropriation shall not exceed 261 in 1992-93 and 261 in 1993-94. Within this total, the permanent full-time employees assigned specifically to the House members of the Legislative Research Commission shall not exceed 19 and the permanent full-time employees assigned specifically to the Senate members of the Legislative Research Commission shall not exceed 10.

3. Board of Ethics		
General Fund	$ 20,000	$ 20,000

TOTAL - LEGISLATIVE BRANCH OF STATE GOVERNMENT OPERATING BUDGET

	1992-93	1993-94
General Fund	$22,173,700	$26,307,300
Restricted Funds	430,000	125,000
Federal Funds	100	100
Total	$22,603,800	$26,432,400

Any unexpended balance remaining at the close of any fiscal year shall not lapse, but shall continue into the succeeding fiscal year. This provision shall also apply to 1990 Acts, Chapter 511, Part II. The specific allocation of these funds shall be made by the director of the Legislative Research Commission at the direction of the Legislative Research Commission.

PART II

GENERAL PROVISIONS

1. The director of the Legislative Research Commission with the approval of the Legislative Research Commission may expend any of the funds appropriated for legislative operation and administration in any lawful manner and for any legal purpose which the Commission shall authorize or direct. No executive agency of state government shall have the power to restrict or limit the expenditure of funds appropriated to the legislative branch of government.

2. The director of the Legislative Research Commission shall submit monthly to the Legislative Research Commission a report listing all travel expenses reimbursed, travel related per diem, and any other travel-related reimbursement for each General Assembly member and each employee of the Legislative Research Commission who was reimbursed during the previous months.

3. No member of the General Assembly except members of the Legislative Research Commission shall receive in any one fiscal year per diem compensation in excess of 7 days in connection with out-of-state travel unless prior written approval has been received from the Legislative Research Commission.

4. The Legislative Research Commission shall cause the director of the Legislative Research Commission to prepare a final budget document reflecting the 1992-94 biennial budget of the legislative branch. A copy shall be provided to the Legislative Research Commission and an informational copy shall be furnished to the Finance and Administration Cabinet within 30 days of the adjournment of the 1992 Regular Session of the General Assembly.

PART III

BUDGET REDUCTION OR SURPLUS EXPENDITURE PLAN

The Legislative Branch shall participate in any Budget Reduction Plan or Surplus Expenditure Plan in accordance with the provisions of KRS Chapter 48.

HB 468, AN ACT relating to appropriations for the operation, maintenance, support, and functioning of the government of the Commonwealth of Kentucky and its various officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and other state supported activities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

PART I

OPERATING BUDGET

There is appropriated out of the General Fund, Road Fund, restricted funds accounts or federal funds accounts for the fiscal year ending June 30, 1992, and for the fiscal year beginning July 1, 1992 and ending June 30, 1993, and for the fiscal year beginning July 1, 1993 and ending June 30, 1994, the following discrete sums, or so much thereof as may be necessary. Appropriated funds are included pursuant to KRS 48.700 and 48.710. Each appropriation is made by source of respective fund or funds accounts. Appropriations for the following officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies and budget units of the state government, and any and all other activities of the government of the Commonwealth are subject to the provisions of Chapters 12, 42, 45 and 48 of the Kentucky Revised Statutes.

A. GOVERNMENT OPERATIONS

1. EXECUTIVE OFFICE OF THE GOVERNOR

a. Office of the Governor

	1991-92	1992-93	1993-94
General Fund	250,000	3,801,000	3,797,100
Restricted Funds		236,900	179,700
Total		4,037,900	3,976,800

Included in the above General Fund appropriation in each year of the biennium is $18,000 for the Governor's expense allowance to meet additional expenses associated with the position of Governor of Kentucky as specified in KRS 64.710.

Included in the above General Fund appropriation is $250,000 in fiscal year 1991-92 to further the activities of the Bicentennial Commission.

b. Governor's Office for Policy and Management

	1992-93	1993-94
General Fund	1,789,900	1,846,000
Restricted Funds	50,800	51,500
Total	1,840,700	1,897,500

c. State Planning Fund

	1992-93	1993-94
General Fund	450,000	450,000

The Governor is hereby authorized to expend funds for the improvement and advancement of governmental purposes and activities.

TOTAL - EXECUTIVE OFFICE OF THE GOVERNOR

	1991-92	1992-93	1993-94
General Fund	250,000	6,040,900	6,093,100
Restricted Funds		287,700	231,200
TOTAL		6,328,600	6,324,300

2. LIEUTENANT GOVERNOR

	1992-93	1993-94
General Fund	543,200	559,500

Included in the above General Fund appropriation in each year of the biennium is $10,000 for the Lieutenant Governor's expense allowance associated with the position of Lieutenant Governor of Kentucky as specified in KRS 64.710.

3. SECRETARY OF STATE

	1992-93	1993-94
General Fund	1,618,900	1,667,500

All operating receipts from all activities of the Office of the Secretary of State shall be deposited in the State Treasury to the credit of the General Fund.

4. BOARD OF ELECTIONS

	1992-93	1993-94
General Fund	3,328,000	6,427,800
Restricted Funds	100,000	100,000
Total	3,428,000	6,527,800

Included in the above General Fund appropriation is $1,715,500 in fiscal year 1992-93 and $1,767,000 in fiscal year 1993-94 to pay the state's share of county election expenses (KRS 117.345) and the state's share of voter registration expenses (KRS 116.145). Also included in the above appropriation is $80,000 in fiscal year 1992-93 for the biennial purgation of voters (KRS 116.112). Any unexpended balance remaining at the close of each fiscal year shall lapse to the credit of the General Fund. Any amount that the state is required to pay in excess of the above amounts under the provisions of KRS 116.145 is hereby appropriated, subject to the conditions and procedures provided in this Act.

Also included in the above General Fund appropriation is $875.300 in each fiscal year for the purpose of reimbursing county clerks prusuant to the provision of KRS 117.343 as enacted. Any unexpended balance remaining at the close of each fiscal year shall lapse to the credit of the General Fund.

Also included in the above General Fund appropriation is $3,000,000 in fiscal year 1993-94 for implementing the statutory provisions related to campaign financing reform legislation as enacted by the 1992 General Assembly.

5. TREASURY

	1992-93	1993-94
General Fund	1,369,500	1,410,600
Restricted Funds	231,400	232,800
Total	1,600,900	1,643,400

6. DEPARTMENT OF LAW

	1992-93	1993-94
General Fund	7,166,800	7,381,800
Restricted Funds	4,201,400	4,080,900
Federal Funds	1,392,000	1,379,900
Total	12,760,200	12,842,600

7. UNIFIED PROSECUTORIAL SYSTEM

a. Commonwealth's Attorney

	1992-93	1993-94
General Fund	11,202,100	11,538,200
Restricted Funds	38,400	38,700
Federal Fund	256,600	270,000
Total	11,497,100	11,846,900

b. County Attorney

	1992-93	1993-94
General Fund	11,999,400	12,359,300
Restricted Funds	10,000	10,000
Total	12,009,400	12,369,300

TOTAL - UNIFIED PROSECUTORIAL SYSTEM

	1992-93	1993-94
General Fund	23,201,500	23,897,500
Restricted Funds	48,400	48,700
Federal Funds	256,600	270,000
TOTAL	23,506,500	24,216,200

8. AUDITOR OF PUBLIC ACCOUNTS

	1992-93	1993-94
General Fund	3,475,000	3,579,300
Restricted Funds	2,670,900	2,670,900
Total	6,145,900	6,250,200

The Auditor of Public Accounts shall report in writing each sixty (60) days to the Interim Joint Committee on Appropriations and Revenue the progress of all state audits, together with copies of all completed audits.

No state agency shall enter into any contract with a non-governmental entity for an audit unless the Auditor of Public Accounts has declined in writing to perform the audit or has failed to respond within thirty (30) days of receipt of a written request. The agency requesting the audit shall furnish the Auditor of Public Accounts a comprehensive statement of the scope and nature of the proposed audit.

There is hereby appropriated to the Auditor of Public Accounts funds which are required in the auditing of federal disaster relief funds, subject to the conditions and procedures provided in this Act.

The Auditor shall maintain a record of all time and expenses for each audit or investigation.

Any additional expense incurred by the Auditor of Public Accounts for auditing federal funds, when such audits are mandated by a cognizant federal audit agency, shall be charged to the audited agency, when such costs may be charged against federal funds. The Auditor of Public Accounts is hereby authorized to receive these federal funds in a separate account to be established for this purpose. The Auditor shall maintain a record of all costs and expenditures associated with this provision.

Each quarter, the Auditor of Public Accounts shall notify the Finance and Administration Cabinet concerning the collection status of the fees charged for county audits. If a county government is delinquent in its payment to the Auditor of Public Accounts, the Finance and Administration Cabinet shall withhold any moneys due that county government for the term of one hundred and twenty (120) days or until the Auditor of Public Accounts has received full payment from the county. The Auditor of Public Accounts is authorized to increase the audit fees for conducting county audits if additional revenues are needed to continue the operation of the office.

The "Single Audit Act of 1984" (OMB Circular No.A-128) has changed the method by which federal moneys to state agencies are audited. As a result of this federal change, the Auditor of Public Accounts is budgeted to receive additional agency receipts which shall be allotted by the Governor's Office for Policy and Management for programs authorized in the enacted budget for the Auditor of Public Accounts by the 1992 General

Assembly, subject to the conditions and procedures provided in this Act. Notwithstanding the provisions of KRS 43.200, no funding is provided for auditor's scholarships.

9. DEPARTMENT OF AGRICULTURE

	1992-93	1993-94
General Fund	11,759,300	12,103,100
Restricted Funds	815,300	826,200
Federal Funds	1,312,400	1,322,300
Total	13,887,000	14,251,600

Included in the above appropriation is $661,500 in fiscal year 1993 and $674,800 in fiscal year 1994 which is to be used to operate the brucellosis and pseudorabies disease eradication programs.

10. SUPERINTENDENT OF PUBLIC INSTRUCTION

	1991-92	1992-93	1993-94
General Fund	2,700	5,500	5,900

11. DEPARTMENT OF MILITARY AFFAIRS

	1992-93	1993-94
General Fund	13,728,300	15,451,000
Restricted Funds	2,637,400	2,718,400

Federal Funds	10,867,800	7,006,000
Total	27,233,500	25,175,400

Included in the above General Fund appropriation is $235,800 in fiscal year 1992-93 and $236,000 in fiscal year 1993-94 for debt service for the Veterans' Nursing Home at the Wilmore site.

There is hereby appropriated from the General Fund the necessary funds, subject to the conditions and procedures provided in this Act, which are required as a result of the Governor's call of the Kentucky National Guard to active duty; provided, however, that an emergency or exigency situation shall have been declared to exist by the Governor.

There is hereby appropriated from the General Fund the necessary funds, subject to the conditions and procedures provided in this Act, which are required to match federal aid to which the state would be eligible in the event of a presidentially-declared disaster or emergency.

12. DEPARTMENT OF PERSONNEL

a. General Operations

	1992-93	1993-94
General Fund	4,208,500	4,334,800
Restricted Funds	1,135,800	1,205,100
Federal Funds	792,600	732,300
Total	6,136,900	6,272,200

b. Workers Compensation Benefits and Reserve

	1992-93	1993-94
Restricted Funds	10,898,600	13,012,700

The above appropriations represent estimates of the funds necessary to operate this program. In the event that additional funds are required to adequately maintain this program, it is the intent of the General Assembly that such necessary funds are hereby appropriated, subject to the conditions and procedures provided in this Act.

c. Public Employees Deferred Compensation System

	1992-93	1993-94
Restricted Funds	454,700	484,500

d. Salary Enhancement Fund

	1992-93	1993-94
General Fund	4,800,000	5,000,000

TOTAL - DEPARTMENT OF PERSONNEL

	1992-93	1993-94
General Fund	9,008,500	9,334,800
Restricted Funds	12,489,100	14,702,300
Federal Funds	792,600	732,300
TOTAL	22,290,200	24,769,400

13. PERSONNEL BOARD

	1992-93	1993-94
General Fund	427,700	440,500
Restricted Funds	3,200	3,200
Total	430,900	443,700

14. DEPARTMENT FOR LOCAL GOVERNMENT

	1992-93	1993-94
General Fund	5,307,000	5,466,200
Restricted Funds	1,630,400	1,449,400
Federal Funds	31,847,000	31,966,900
Total	38,784,400	38,882,500

15. COUNTY COSTS

	1992-93	1993-94
General Fund		
a. Base Court Revenue	5,431,000	5,431,000
b. Sheriffs' Fees	2,340,000	2,340,000
c. Jury Fund	4,110,000	4,110,000
d. Witnesses	126,800	126,800
e. Special Bailiffs	5,000	5,000
f. Board of Assessment Appeals	20,000	20,000
g. Fugitives from Justice	650,000	650,000
h. Sheriffs' Expense Allowance	480,000	480,000
i. Premium on Sheriffs' Bonds	615,000	615,000
j. County Clerks - Making Tax Bills	300,000	300,000

Funds required to pay county costs funded by the General Fund are hereby appropriated and additional funds may be allotted from the General Fund Surplus Account by the Secretary of the Finance and Administration Cabinet, subject to the conditions and procedures provided in this Act.

TOTAL - COUNTY COSTS

	1992-93	1993-94
General Fund	14,077,800	14,077,800

16. SPECIAL FUNDS

a. Local Government Economic Assistance Fund

	1992-93	1993-94
General Fund	35,334,800	36,344,000

The above appropriations from the General Fund are based on the official estimate of the Secretary of Finance and Administration for severance tax collections during the biennium, distributed in accordance with KRS 42.450 through 42.495. In the event actual severance tax receipts are different from the official estimate, the amount to be allotted to the Local Government Economic Assistance Fund shall be determined in accordance with KRS 42.450 through 42.495.

b. Area Development Fund

	1992-93	1993-94
General Fund	4,750,000	4,750,000

Funds appropriated from the General Fund for the Area Development Fund shall be limited to these amounts notwithstanding the provisions set forth in KRS 48.185.

TOTAL - SPECIAL FUNDS

	1992-93	1993-94
General Fund	40,084,800	41,094,000

17. GENERAL OBLIGATION BONDS

a. 1965 General Purpose Bonds

	1992-93	1993-94
General Fund	2,054,200	2,054,500

18. FINANCIAL DISCLOSURE REVIEW COMMISSION

	1992-93	1993-94
General Fund	69,000	71,100

19. MISCELLANEOUS APPROPRIATIONS

a. Board of Claims Awards

	1992-93	1993-94
General Fund	300,000	300,000

Funds are appropriated from the General Fund for the repayment of awards or judgments made by the Board of Claims against departments, boards, commissions, and other agencies maintained by appropriations out of the General Fund.

However, awards under $500, in cases where the operating agency admits negligence, shall be paid from funds available for the operations of such agencies.

b. Judgments

	1992-93	1993-94
General Fund	500,000	500,000

For payment from the General Fund of such judgments as may be rendered against the Commonwealth by courts and orders of the State Personnel Board; such payments, where applicable, shall be subject to the provisions of KRS Chapter 45. Also, to pay medical malpractice judgments against the University of Kentucky and the University of Louisville in accordance with KRS 164.941 and 164.894.

c. Guardian Ad Litem

	1992-93	1993-94
General Fund	1,300,000	1,300,000

d. Prior Year Claims

	1992-93	1993-94
General Fund	400,000	400,000

e. Unredeemed Checks Refunded

	1992-93	1993-94
General Fund	140,000	140,000

Checks written by the State Treasurer and not cashed within the statutory period may be presented to the State Treasurer for reissuance in accordance with the provisions of KRS 41.370.

f. Blanket Employees Bonds

	1992-93	1993-94
General Fund	0	0

For payment of premiums on blanket surety bonds as provided by KRS 62.170.

g. Frankfort Planning Commission

	1992-93	1993-94
General Fund	1,000	1,000

h. Frankfort Cemetery

	1992-93	1993-94
General Fund	2,500	2,500

i. Public Improvements

	1992-93	1993-94
General Fund	5,000	5,000

Funds are appropriated for paying assessments for public improvements against property owned by the Commonwealth, and for which assessments the Commonwealth is deemed to be liable.

j. Police and Firemen—Life Insurance

	1992-93	1993-94
General Fund	150,000	150,000

Funds are appropriated for payment of benefits for state and local police and firemen in accordance with KRS 61.315.

k. Workers' Compensation

	1992-93	1993-94
General Fund	249,000	303,000

Fee officers in counties over 75,000 in population.

l. Master Commissioners—Employees Retirement

	1992-93	1993-94
General Fund	120,000	120,000

m. Master Commissioners—Social Security

	1992-93	1993-94
General Fund	128,000	131,000

n. Money Refunded

	1992-93	1993-94
General Fund	2,000	2,000

For refunding money paid into the State Treasury, which may later be determined not to be a lawful collection by the state. No money shall be refunded, however, after it has been paid into the State Treasury except by authority of the head of the department or agency to whom the money was originally paid and with the approval of the Secretary of the Finance and Administration Cabinet and the Attorney General, subject to the conditions and procedures provided in this Act.

o. Involuntary Commitments ICF/MR

	1992-93	1993-94
General Fund	20,000	20,000

TOTAL - MISCELLANEOUS APPROPRIATIONS

	1992-93	1993-94
General Fund	3,317,500	3,374,500

Funds required to pay the costs of items included within the Miscellaneous Appropriations category are hereby appropriated, and any required expenditure over the above amounts is to be paid from the General Fund Surplus Account, subject to the conditions and procedures provided in this Act.

20. FLOOD CONTROL ADVISORY COMMISSION

	1992-93	1993-94
General Fund	131,100	135,000

21. COMMISSION ON HUMAN RIGHTS

	1992-93	1993-94
General Fund	1,422,800	1,465,500
Restricted Funds	800	1,100
Federal Funds	93,000	93,000
Total	1,516,600	1,559,600

22. COMMISSION ON WOMEN

	1992-93	1993-94
General Fund	167,100	172,100
Restricted Funds	5,800	1,500
Total	172,900	173,600

23. COUNTY FEES

	1992-93	1993-94
Restricted Funds		
Jefferson Co.	17,062,000	17,062,000
Kenton County	3,160,900	3,160,900
Campbell County	1,722,800	1,722,800
Fayette County	5,886,600	5,886,600
Daviess County	2,374,600	2,374,600
Pike County	1,793,100	1,793,100
Total	32,000,000	32,000,000

County fees for the following counties: Jefferson, Kenton, Fayette, Campbell, Daviess, and Pike are for paying the various officials of each county enumerated, seventy-five percent (75%) of the fees provided by law.

This is to be paid, by the State, to these officials when their claims for fees have been presented in the form and manner prescribed by law and approved by the Secretary of the Finance and Administration Cabinet. Each fiscal court of said counties is to receive twenty-five percent (25%) of such fees as required by KRS 64.350.

24. KENTUCKY RETIREMENT SYSTEMS

	1992-93	1993-94
Restricted Funds	8,703,600	8,933,600

25. OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

a. Board of Accountancy

	1992-93	1993-94
Restricted Funds	376,500	384,300

b. Board of Architects

	1992-93	1993-94
Restricted Funds	107,800	112,700

c. Athletic Commission

	1992-93	1993-94
Restricted Funds	60,300	60,300

d. Board of Auctioneers

	1992-93	1993-94
Restricted Funds	214,100	219,800

e. Board of Barbers

	1992-93	1993-94
Restricted Funds	133,100	136,700

f. Board of Chiropractic Examiners

	1992-93	1993-94
Restricted Funds	73,200	75,600

g. Board of Dental Examiners

	1992-93	1993-94
Restricted Funds	203,800	211,800

h. Board of Dieticians and Nutritionists

	1992-93	1993-94
Restricted Funds	10,700	11,000

i. Board of Embalmers and Funeral Directors

	1992-93	1993-94
Restricted Funds	146,900	151,200

j. Board of Engineers and Land Surveyors

	1992-93	1993-94
Restricted Funds	423,600	434,200

k. Board of Hairdressers & Cosmetologists

	1992-93	1993-94
Restricted Funds	648,300	568,600

l. Board of Hearing Aid Dealers

	1992-93	1993-94
Restricted Funds	22,000	23,000

m. Board of Landscape Architecture

	1992-93	1993-94
Restricted Funds	27,700	28,400

n. Board of Medical Licensure

	1992-93	1993-94
Restricted Funds	901,200	916,300

o. Board of Nurses

	1992-93	1993-94
Restricted Funds	1,618,500	1,636,100

Included in the above appropriation is $120,000 in fiscal year 1992-93 and $126,300 in fiscal year 1993-94 for the Nursing Incentive Scholarship Program.

p. Nursing Home Administrators Licensure Board

	1992-93	1993-94
Restricted Funds	44,500	46,400

q. Board of Occupational Therapy

	1992-93	1993-94
Restricted Funds	15,700	16,400

r. Board of Ophthalmic Dispensers

	1992-93	1993-94
Restricted Funds	7,700	7,800

s. Board of Optometric Examiners

	1992-93	1993-94
Restricted Funds	71,600	75,700

t. Board of Pharmacy

	1992-93	1993-94
Restricted Funds	454,300	447,200

u. Board of Physical Therapy

	1992-93	1993-94
Restricted Funds	111,300	114,900

v. Board of Podiatry

	1992-93	1993-94
Restricted Funds	8,100	9,300

w. Board of Psychology

	1992-93	1993-94
Restricted Funds	70,500	73,500

x. Real Estate Appraisers Board

	1992-93	1993-94
Restricted Funds	150,600	152,300

y. Real Estate Commission

	1992-93	1993-94
1. Operations	874,900	901,100

2. Real Estate Education
Education and Recovery

	1992-93	1993-94
Restricted Funds	791,100	814,800

z. Board of Respiratory Care

	1992-93	1993-94
Restricted Funds	58,500	60,200

aa. Board of Social Workers

	1992-93	1993-94
Restricted Funds	79,900	83,000

bb. Board of Speech Pathologists and Audiologists

	1992-93	1993-94
Restricted Funds	31,200	32,800

cc. Board of Veterinary Examiners

	1992-93	1993-94
Restricted Funds	68,000	70,300

TOTAL - OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

	1992-93	1993-94
Restricted Funds	7,805,600	7,875,700

26. GOVERNMENTAL SERVICES CENTER

	1992-93	1993-94
Restricted Funds	1,187,100	1,211,600

27. CAPITAL PLAZA AUTHORITY

	1992-93	1993-94
General Fund	59,300	61,700
Restricted Funds	473,500	483,100
Total	532,800	544,800

28. KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION

	1992-93	1993-94
Restricted Funds	133,782,200	145,061,700

TOTAL - GOVERNMENT OPERATIONS

	1991-92	1992-93	1993-94
General Fund	252,700	148,363,700	156,324,800
Restricted Funds		209,073,800	222,632,300
Federal Funds		46,561,400	42,770,400
TOTAL	252,700	403,998,900	421,727,500

B. ECONOMIC DEVELOPMENT

29. ECONOMIC DEVELOPMENT

	1992-93	1993-94
General Fund	53,210,600	57,586,600
Restricted Funds	1,868,300	1,900,600
Federal Funds	120,000	123,800
Total	55,198,900	59,611,000

Included in the General Fund appropriation is $31,457,500 in fiscal year 1992-93 and $31,461,200 in fiscal year 1993-94 for debt service payments on the Economic Development Bond Program for the previously appropriated bond issues. Included as a part of the debt service figures is $3,393,100 in fiscal year 1992-93 and $3,391,100 in fiscal year 1993-94 for the lease rental payments associated with the $36,600,000 Economic Development Road Bond issue of the Kentucky Turnpike Authority. The Secretary of Transportation shall certify to the Secretary of Economic Development the actual amount required to meet the lease rental payment. Included as a part of the debt service figures is $6,229,000 in fiscal year 1992-93 and $6,239,800 in fiscal year 1993-94 for debt service payments on the Kentucky Development Finance Authority previously appropriated bond issues.

Included in the General Fund appropriation is $3,761,500 in fiscal year 1993-94 for the debt service payments associated with the new economic development bond appropriation identified in Part II.

The General Fund appropriation for fiscal year 1991-92 and succeeding fiscal years for the Bluegrass State Skills Corporation shall be continued and not lapse to the General Fund.

Notwithstanding the provisions of KRS 157.740 the Secretary is directed to take such action as may be necessary to execute contractual agreements for designated skills training and education projects for which funds have been specifically appropriated.

No commitment for employee training shall be made beyond the ability of the Cabinet to fund the project within the appropriation for the current biennium.

The General Fund appropriation of $250,000 for fiscal year 1992-93 to meet the Commonwealth's commitment for the financial assistance program to preserve existing jobs and prevent unemployment shall be continued into fiscal year 1993-94 and not lapse to the General Fund.

It is the intent of the General Assembly in furtherance of the public policy to preserve existing jobs and to alleviate and prevent unemployment in the Commonwealth of Kentucky, that funds be authorized for expenditure from the General Fund Surplus Account (KRS 48.700) not to exceed $14,850,700 in the 1992-94 biennium for a financial assistance program to retain existing business and industry. Such funds shall be made available only upon certification by the Secretaries of the Economic Development and Finance and Administration Cabinets to the Governor and the Interim Joint Committee on Appropriations and Revenue that the regular appropriations for fiscal years 1991-92, 1992-93 and 1993-94 are insufficient to fulfill the Commonwealth's obligations in support of the financial assistance program authorized by the General Assembly. In the event that the Governor shall affirm such certifications, the Secretary of the Finance and Administration Cabinet shall approve the allocations of the required sums from the General Fund Surplus Account and the State Treasurer shall approve such payment. A copy of the certifications, and written approval of the Governor, shall be filed with the Legislative Research Commission and reported to the Interim Joint Committee on Appropriations and Revenue.

TOTAL - ECONOMIC DEVELOPMENT

	1992-93	1993-94
General Fund	53,210,600	57,586,600
Restricted Funds	1,868,300	1,900,600
Federal Funds	120,000	123,800
TOTAL	55,198,900	59,611,000

C. DEPARTMENT OF EDUCATION

30. DEPARTMENT OF EDUCATION

a. Support Education Excellence in Kentucky (SEEK)

	1992-93	1993-94
General Fund	1,580,995,100	1,610,336,200

Accumulated earnings for the Common School Fund shall each fiscal year be transferred to the Support Education Excellence in Kentucky program.

The above appropriations include $1,468,752,900 in 1992-93 and $1,500,579,700 in 1993-94 for the base SEEK program as defined by KRS 157.360; these appropriations are intended to provide a base guarantee of $2,420 per student in average daily attendance on 1992-93 and $2,495 per student in average daily attendance in 1993-94 as well as to meet the other requirements of KRS 157.360, notwithstanding the provisions of KRS 157.360(c).

Funds appropriated to the Support Education Excellence in Kentucky program shall be allotted to school districts in accordance with KRS 157.310 through 157.440, except that the total of the funds allotted shall not exceed the appropriations for this purpose except as provided in this Act. Included within the above appropriation for the Support Education Excellence in Kentucky program is $81,158,600 in 1992-93 and $78,172,900 in 1993-94 for the Tier I component as established by KRS 157.440. If funds appropriated to the Support Education Excellence in Kentucky program are insufficient to provide the amount of money required under KRS 157.310 through 157.440, allotments to local school districts may be reduced in accordance with KRS 157.430. However, it is the intent of the General Assembly that if either the base SEEK program appropriations or the Tier I component appropriations in either year of the 1992-94 biennium fall short of the amounts intended under the provisions of KRS 157.310 through 157.430, KRS 157.440, or any other provision of this Act, any surplus funds from the base SEEK program or from the Tier I component may be transferred to the respective appropriation experiencing the shortfall. Such a transfer shall require the approval of the Governor upon the written recommendation of the Secretary of Finance and Administration and written request of the Commissioner of the Department of Education.

The following is the minimum statewide salary schedule for 1992-93.

Rank Experience	1	II	III	IV	V
0-3 years	25,200	22,580	19,910	17,150	15,810
4-9 years	27,840	25,200	22,580	17,150	15,810
10-14 years	31,260	28,600	25,950	17,150	15,810
15-19 years	32,260	29,610	26,950	17,150	15,810
20 years and over	32,760	30,110	27,450	17,150	15,810

The following is the minimum statewide salary schedule for 1993-94.

Rank Experience	I	II	III	IV	V
0-3 years	25,200	22,580	19,910	17,150	15,810
4-9 years	27,840	25,200	22,580	17,150	15,810
10-14 years	31,260	28,600	25,950	17,150	15,810
15-19 years	32,260	29,610	26,950	17,150	15,810
20 years and over	32,760	30,110	27,450	17,150	15,810

No working budget or salary schedule shall be approved in which the salary paid any teacher is not at least equivalent to the allotment for that rank and experience, except where there is a decline in local revenue of the district concerned after it has levied the maximum ad valorem property tax rate permitted by law. Any such reduction permitted shall be only for the amount of the decline in local revenue.

In the event any local board of education contends there has been a decline in local tax resources in that district, the State Board for Elementary and Secondary Education shall certify such contention to the Revenue Cabinet. The cabinet shall then determine whether there has, in fact, been a decline in local tax resources of such district, and, if so, the amount of such decline. The Revenue Cabinet shall then certify its determination to the State Board for Elementary and Secondary Education, and the board shall accept such certified determination as final.

The State Board for Elementary and Secondary Education shall not approve any working budgets or salary schedule summaries for local boards of education for the school years 1992-93 and 1993-94 in which the total amount for 185 days on the salary schedule summary for teachers' instructional salaries is not equal to the amount for 185 days on the salary schedule summary for teachers' instructional salaries in the preceding year, plus the additional amount for teachers' salaries under this appropriation for a 185-day school term by assuming the same rank and experience of teachers in the current year as in the preceding year in each local school district.

In accordance with the intent of KRS 162.060 and 162.160, no space shall be rented, purchased, or otherwise acquired and thereafter converted to classroom use without prior approval of the chief state school officer. The State Board for Elementary and Secondary Education may adopt regulations for the housing of school children. No facilities shall be approved for classroom use which are detrimental to the health of or dangerous to the safety of school children.

If a school district operates any school or grade of a school for a term of less than 185 days in accordance with KRS 158.070, or for a school day of less than the minimum required by KRS 158.060, the average daily attendance of such school shall be reduced proportionately by the chief state school officer.

Any undistributed balance in the Support Education Excellence in Kentucky fund at the end of either fiscal year 1992-93 or fiscal year 1993-94 shall lapse to the credit of the General Fund Surplus account.

The total appropriation for the Support Education Excellence in Kentucky program shall be measured by, or construed as, estimates of the state expenditures required by KRS 157.310 et seq. If the required expenditures exceed these estimates, the Secretary of the Finance and Administration Cabinet, with approval of the Governor, may increase the appropriation by such amount as may be available and necessary to meet, to the extent possible, the required expenditures under the hereinabove cited sections of the Kentucky Revised Statutes; provided, however, that any such increase of the total appropriation to the Support Education Excellence in Kentucky program is subject to Part III, General Provisions, of this Act, and the provisions of KRS Chapter 48.

Included within the above appropriation is $2,083,600 in fiscal year 1992-93 and $2,083,600 in fiscal year 1993-94 for Vocational Transportation. Included within the above appropriation is $15,500,000 in 1992-93 and $16,000,000 in 1993-94 to provide secondary vocational education in state-operated vocational schools.

Included within the above appropriation is $13,500,000 in 1992-93 and $13,500,000 in 1993-94 to provide facilities equalization funding under the provisions of KRS 157.620. If these appropriations are insufficient to meet the requirements of KRS 157.620, allotments to eligible school districts may be reduced on a pro rata basis.

b. Local School District Teachers' Retirement Employer Match

	1992-93	1993-94
General Fund	185,400,000	193,000,000

The above amounts are appropriated to enable local school districts to provide the employer match for qualified employees as provided for by KRS 161.550.

c. Executive Policy and Management

	1992-93	1993-94
General Fund	12,430,400	22,475,200
Restricted Funds	293,800	307,000
Federal Funds	32,700	14,300
Total	12,756,900	22,796,500

Included within the above General Fund appropriation is $5,000,000 in fiscal year 1992-93 and $10,000,000 in fiscal year 1993-94 for the school rewards escrow account and $5,000,000 in 1992-93 and $10,000,000 in 1993-94 for the education technology escrow account. Notwithstanding any contrary provisions of KRS 156.665, it is the intent of the General Assembly that both accounts are to be established in the Finance and Administration Cabinet.

Notwithstanding any contrary provisions of KRS 156.665 and KRS 157.067, interest earnings from the school rewards escrow account and the education technology escrow account shall accrue to the credit of the General Fund.

d. Management Support Services

	1992-93	1993-94
General Fund	22,546,900	36,963,700
Restricted Funds	1,826,000	1,768,100
Federal Funds	108,661,500	114,164,100
Total	133,034,400	152,895,900

Included within the above General Fund appropriation is $4,500,000 in fiscal year 1992-93 and $18,400,000 in fiscal year 1993-94 for the purchase of textbooks and related instructional materials for grades kindergarten through eight.

Local school districts shall establish, pursuant to State Board for Elementary and Secondary Education regulations, a process whereby pupils may rent textbooks for a reasonable fee. Textbooks purchased by the State Board for Elementary and Secondary Education, prior to July 1, 1984, for grades nine through twelve shall continue to be loaned or rented to pupils until they are no longer selected and listed by the State Textbook Commission. Rental fees collected by the district shall be used for the maintenance of the textbooks and the purchase of new textbooks.

The textbooks purchased with these funds shall be used as basal texts in school districts.

No appropriation is included in this Act for the replacement of student fees; therefore, public schools may charge students for necessary fees and rentals, and may require students to purchase necessary instruction materials.

Included in the above General fund appropriation is $3,500,000 in fiscal year 1992-93 and $3,700,000 in fiscal year 1993-94 for reimbursement to local school districts for the Out-of-District Children program operated in accordance with KRS 158.135 and applicable regulations. Funds to be expended for the Out-of-District Children program shall be limited to these amounts and if sufficient funds are not available within these allocated amounts to reimburse each district for the total allowed cost of the program, each allocation shall be ratably reduced to the level of available funds.

Included in the above General Fund appropriation is: $301,900 in fiscal year 1992-93 and $301,900 in fiscal year 1993-94 for debt service for the Kentucky School for the Blind dormitory; $318,000 in fiscal year 1992-93 and $331,000 in fiscal year 1993-94 for debt service for Project 33/Kentucky School for the Blind; and $233,000 in fiscal year 1992-93 and $233,000 in fiscal year 1993-94 for debt service for the FFA Leadership Center.

e. Local District Health and Life Insurance

	1992-93	1993-94
General Fund	136,961,200	158,271,900

It is the intent of the General Assembly that, if the costs for life insurance or health insurance exceed the levels of appropriated funds, any unexpended Support Education Excellence in Kentucky appropriations may be used to offset such unbudgeted costs, subject to the approval of the Secretary of the Finance and Administration Cabinet.

It is also the intent of the General Assembly that, if the appropriations for either the Local School District Teachers' Retirement Employer Match appropriation unit or the Local District Health and Life Insurance appropriation unit fall short of statutory requirements, any surplus funds from the other appropriation unit may be transferred to the appropration unit experiencing the shortfall. Such a transfer shall be subject to the written approval of the Secretary of the Finance and Administration Cabinet upon written request of the Commissioner of the Department of Education.

f. Learning Support Services

	1992-93	1993-94
General Fund	115,356,800	134,390,600
Restricted Funds	645,500	660,200
Federal Funds	164,156,500	164,315,700
Total	280,158,800	299,366,500

Included in the above General Fund appropriation is: $33,000,000 in fiscal year 1992-93 and $37,000,000 in fiscal year 1993-94 for at-risk Pre-Kindergarten; $25,700,000 in fiscal year 1992-93 and $29,700,000 in fiscal year 1993-94 for Extended School Services; $18,900,000 in fiscal year 1992-93 and $29,400,000 in fiscal year 1993-94 for Family Resource and Youth Service Centers; $10,000,000 in fiscal year 1992-93 and $10,000,000 in fiscal year 1993-94 for Staff Development; $1,957,700 in fiscal year 1992-93 and $2,099,500 in fiscal year 1993-94 for Regional Service Centers; and $800,000 in fiscal year 1992-93 and $800,000 in fiscal year 1993-94 for Principal and Superintendent Assessment.

It is the intent of the General Assembly that funds herein appropriated to establish Family Resource and Youth Services Centers be transferred in fiscal year 1992-93 and in fiscal year 1993-94 to the Cabinet for Human Resources consistent with the intent of KRS 156.497.

Included in the above General Fund appropriation is $30,000 in fiscal year 1992-93 and $30,000 in fiscal year 1993-94 to continue the statewide information service relative to alcohol/drug abuse among Kentucky's school-age population and to implement a statewide survey of alcohol/drug abuse among Kentucky's coal mining workforce. Both of the above projects relating to drug abuse shall be conducted by the Kentucky Department of Education through Kentucky State University.

g. Learning Results Services

	1992-93	1993-94
General Fund	19,534,700	21,428,600
Restricted Funds	300,400	262,300
Federal Funds	189,600	191,500
Total	20,024,700	21,882,400

Included in the above General Fund appropriation is: $5,100,000 in fiscal year 1992-93 and $6,600,000 in fiscal year 1993-94 for Student Assessment; $1,000,000 in 1992-93 and $1,000,000 in 1993-94 for Continuing Assessment; $300,000 in fiscal year 1992-93 and $300,000 in 1993-94 for the Kentucky Distinguished Educators program; and at least $3,920,600 in fiscal year 1992-1993 and at least $4,038,200 in fiscal year 1993-94 for the Kentucky School for the Blind and at least $6,630,500 in fiscal year 1992-93 and at least $6,829,400 in fiscal year 1993-94 for the Kentucky School for the Deaf.

TOTAL - DEPARTMENT OF EDUCATION

	1992-93	1993-94
General Fund	2,073,225,100	2,176,866,200
Restricted Funds	3,065,700	2,997,600
Federal Funds	273,040,300	278,685,600
TOTAL	2,349,331,100	2,458,549,400

D. EDUCATION AND HUMANITIES

31. OFFICE OF THE SECRETARY

	1992-93	1993-94
General Fund	4,391,900	4,524,200
Restricted Funds	134,800	130,000
Federal Funds	674,500	657,000
Total	5,201,200	5,311,200

Included in the above General Fund appropriation is $2,845,900 in fiscal year 1992-93 and $2,931,300 in fiscal year 1993-94 for the Kentucky Arts Council which was previously situated in the Cabinet for Economic Development.

Also included in the above General Fund appropriation is $158,100 in fiscal year 1992-93 and $162,800 in fiscal year 1993-94 for the Crafts Marketing program which was previously situated in the Cabinet for Economic Development.

Also included in the above General Fund appropriation is $978,700 in fiscal year 1992-93 and $1,008,100 in fiscal year 1993-94 for the Governor's Scholars program, previously attached to the Governor's Office.

Also included in the above appropriation is $150,000 in fiscal year 1992-93 and $155,000 in fiscal year 1993-94 for the Governor's School for the Arts which was previously attached to the Governor's Office.

32. ENVIRONMENTAL COUNCIL

	1992-93	1993-94
General Fund	136,100	140,200

33. KENTUCKY EDUCATIONAL TELEVISION

	1992-93	1993-94
General Fund	14,513,900	14,949,300
Restricted Funds	734,100	857,300
Federal Funds	37,500	37,500
Total	15,285,500	15,844,100

Included in the above General Fund appropriation is $2,624,200 in fiscal year 1992-93 and $2,574,100 in fiscal year 1993-94 for debt service.

34. HISTORICAL SOCIETY

	1992-93	1993-94
General Fund	1,958,800	2,017,600
Restricted Funds	317,700	288,000
Federal Funds		
Total	2,276,500	2,305,600

Included in the above General Fund appropriation is $209,000 in fiscal year 1992-93 and $209,000 in 1993-94 for debt service for site acquisition/preparation and design/planning for an Artifact storage and display structure.

35. LIBRARIES AND ARCHIVES

	1992-93	1993-94
General Fund	11,818,300	12,172,800
Restricted Funds	1,230,800	1,255,900
Federal Funds	2,565,600	2,582,000
Total	15,614,700	16,010,700

Included in the above General Fund appropriation is $1,405,000 in fiscal year 1992-93 and $1,405,300 in fiscal year 1993-94 for debt service.

It is the intent of the General Assembly to distribute these funds according to the formula established by KRS 171.201 at the level of 46.0 cents per capita in fiscal year 1993 and 53.0 cents per capita in fiscal year 1994, notwithstanding any other provisions of KRS 171.201 to the contrary.

36. TEACHERS' RETIREMENT SYSTEM

	1992-93	1993-94
General Fund	54,000,000	54,100,000
Restricted Funds	3,055,700	3,161,900
Total	57,055,700	57,261,900

General funds are appropriated to comply with the obligations of the state under the Teachers' Retirement System statutes as provided in KRS 161.220 through 161.716.

The above General Fund appropriation, in conjunction with those included elswhere within this Act for the Teachers' Retirement System, is based upon estimated funds needed to meet the requirements of KRS 161.220 through 161.716. In the event these combined General Fund appropriations are in excess of these requirements, such excess funds shall lapse to the credit of the General Fund.

It is the intent of the General Assembly that, of the above appropriations, $20,000,000 in fiscal year 1992-93 and $20,000,000 in fiscal year 1993-94 is to be specifically directed to the system's medical insurance fund, with any amounts not required to meet current needs to be maintained as a reserve against future claims.

In accordance with KRS 161.420, in each fiscal year an amount not greater than four percent (4%) of the receipts of the state accumulation fund shall be set aside into the expense fund or expended for the administration of the retirement system. No General Fund dollars are provided in fiscal year 1992-93 or fiscal year 1993-94 for the cost of administration.

37. ORAL HISTORY COMMISSION

	1992-93	1993-94
General Fund	160,100	164,900
Restricted Funds	1,100	
Federal Funds		
Total	161,200	164,900

38. HERITAGE COUNCIL

	1992-93	1993-94
General Fund	1,045,600	1,077,000
Restricted Funds	54,500	78,200
Federal Funds	839,500	861,900
Total	1,939,600	2,017,100

39. COMMISSION ON THE DEAF AND HARD OF HEARING

	1992-93	1993-94
General Fund	255,800	263,500
Restricted Funds	100	
Federal Funds	200	
Total	256,100	263,500

40. SCHOOL FACILITIES CONSTRUCTION COMMISSION

	1992-93	1993-94
General Fund	52,834,100	55,912,000

No facility designated as a replacement project for a functional center as defined by KRS 157.420 shall be included on a school district's facility survey as an unmet need. If a replacement project for a functional center is designated as an unmet need on the facility survey, that functional center shall become a transitional center.

41. KENTUCKY CENTER FOR THE ARTS

	1992-93	1993-94
General Fund	3,388,100	3,395,200

Included in the above General Fund appropriation is $2,735,100 in fiscal year 1992-93 and $2,742,200 in fiscal year 1993-94 for debt service payments.

TOTAL - EDUCATION AND HUMANITIES

	1992-93	1993-94
General Fund	144,502,700	148,716,700
Restricted Funds	5,528,800	5,771,300
Federal Funds	4,117,300	4,138,400
TOTAL	154,148,800	158,626,400

E. FINANCE AND ADMINISTRATION CABINET

42. FINANCE AND ADMINISTRATION CABINET

a. General Administration

	1992-93	1993-94
General Fund	12,937,400	17,560,600
Restricted Funds	1,610,600	1,638,600
Federal Funds	136,500	149,800
Total	14,684,500	19,349,000

Included in the above General Fund appropriation is $195,000 in fiscal year 1992-93 and $195,000 in fiscal year 1993-94 for payment to the City of Frankfort for the provision of fire and police protection and other services for state-owned property in accordance with KRS 45.021.

Also included in the above General Fund appropriation is $75,000 in fiscal year 1992-93 and $3,085,200 in fiscal year 1993-94 in the Office for Financial Management and Economic Analysis for new debt service for the Kentucky Infrastructure Authority. Also included is $8,950,800 in fiscal year 1993 and $10,439, 500 in fiscal year 1994 for debt service on previously authorized bonds in the Kentucky Infrastructure Authority.

b. Department of Administration

	1992-93	1993-94
General Fund	5,011,800	5,130,900
Restricted Funds	16,029,800	16,508,500
Total	21,041,600	21,639,400

c. Department of Facilities Management

	1992-93	1993-94
General Fund	13,700,000	14,103,200
Restricted Funds	27,176,400	28,089,900
Total	40,876,400	42,193,100

Included in the above appropriation is $60,400 from the General Fund and $49,100 from agency funds in fiscal year 1992-93 and $63,300 from the General Fund and $4,100 from agency funds in fiscal year 1993-94 in the Division of Physical Plant for debt service payments for previously issued bonds for the Capital Plaza Authority.

Also included in the above General Fund appropriation is $6,697,100 from the General Fund and $154,500 from agency funds in fiscal year 1992-93 and $6,652,000 from the General Fund and $154,500 from agency funds in fiscal year 1993-94 for the Division of Engineering for debt service payments for previously authorized debt.

d. Department of Information Systems

	1992-93	1993-94
Restricted Funds	33,231,100	34,066,200

TOTAL - FINANCE AND ADMINISTRATION

	1992-93	1993-94
General Fund	31,649,200	36,794,700
Restricted Funds	78,047,900	80,303,200
Federal Funds	136,500	149,800
TOTAL	109,833,600	117,247,700

It is the intent of the General Assembly that the Secretary of the Finance and Administration Cabinet shall be permitted to transfer appropriations among and between the appropriation units in the Finance and Administration Cabinet as identified above upon written approval of the State Budget Director of the Governor's Office for Policy and Management. Any transfers made under this provision shall be made pursuant to KRS 48.500 and shall be reported, in writing, to the Interim Joint Committee on Appropriations and Revenue. In no event shall appropriations for debt service be transferred under these provisions.

F. HIGHER EDUCATION

43. COUNCIL ON HIGHER EDUCATION

	1992-93	1993-94
General Fund	8,098,900	9,970,300
Federal Funds	817,800	817,800
Total	8,916,700	10,788,100

Included in the above General Fund appropriation is $1,025,000 for debt service in fiscal year 1993-94 which will provide a $10,000,000 pool for life safety projects on the university campuses. Specific projects will be recommended by the Council on Higher Education to the Secretary of the Finance and Administration Cabinet for approval from the list of projects previously identified and recommended by the Council for funding from state General Fund support in the 1992-94 biennium.

44. HIGHER EDUCATION ASSISTANCE AUTHORITY

	1992-93	1993-94
General Fund	20,475,900	21,090,200
Restricted Funds	8,377,400	8,716,600
Federal Funds	1,003,100	1,003,200
Total	29,856,400	30,810,000

Included in the above General Fund appropriation is $11,550,900 in fiscal year 1992-93 and $11,897,400 in fiscal year 1993-94 for College Access Program (CAP) grants. Notwithstanding KRS 164.753(4)(d), the Authority shall ensure by rules and regulations that CAP grants are available, to the extent of the foregoing appropriations, to assist financially needy part-time and full-time undergraduate students, provided that CAP grants shall be awarded only to students for attendance at participating institutions in a program of study, of at least two academic years duration, that leads to a degree, and shall not exceed the full-time tuition amount of a publicly supported community college in Kentucky. Nothing in the foregoing shall be construed to limit the authority's capability to use these funds to match federal funds, make grant awards, or adopt rules and regulations that conform to requirements of federal laws and regulations for full participation in federally funded student financial assistance programs.

The General Fund dollars appropriation herein shall be used solely for the purpose of making awards to students.

Any General Fund appropriations unexpended in fiscal years 1991-92 or 1992-93 to the Kentucky Higher Education Assistance Authority shall not lapse but shall be carried forward into the next fiscal year.

Included in the above Restricted Funds appropriation is $100,000 in each fiscal year for Teachers' Scholarships and $550,000 in each fiscal year for the Kentucky Tuition Grants program.

45. EASTERN KENTUCKY UNIVERSITY

	1992-93	1993-94
General Fund	51,993,600	53,391,500
Restricted Funds	61,242,900	62,148,700
Federal Funds	14,447,100	14,447,100
Total	127,683,600	129,987,300

Included in the above General Fund appropriation is $5,700,200 in fiscal year 1992-93 and $5,708,000 in fiscal year 1993-94 for debt service. Included in the above General Fund appropriation is $66,000 in fiscal year 1992-93 and $69,300 in fiscal year 1993-94 for maintenance and operation of new facilities coming on line during the 1992-94 biennium.

46. KENTUCKY STATE UNIVERSITY

	1992-93	1993-94
General Fund	18,006,900	18,581,800
Restricted Funds	9,050,900	9,752,700
Federal Funds	7,994,300	8,291,700
Total	35,052,100	36,626,200

Included in the above General Fund appropriation is $2,684,800 in fiscal year 1992-93 and $2,681,100 in fiscal year 1993-94 for debt service. Included in the above General Fund appropriation is $247,300 in fiscal year 1992-93 and $373,700 in fiscal year 1993-94 for maintenance and operation of new facilities coming on line during the 1992-94 biennium.

47. MOREHEAD STATE UNIVERSITY

	1992-93	1993-94
General Fund	31,385,400	32,219,000
Restricted Funds	36,272,500	39,910,100
Federal Funds	9,419,100	9,911,400
Total	77,077,000	82,040,500

Included in the above General Fund appropriation is $3,738,900 in fiscal year 1992-93 and $3,743,100 in fiscal year 1993-94 for debt service.

48. MURRAY STATE UNIVERSITY

	1992-93	1993-94
General Fund	37,043,300	38,046,200
Restricted Funds	34,580,800	35,866,300
Federal Funds	4,967,000	4,967,000
Total	76,591,100	78,879,500

Included in the above General Fund appropriation is $3,645,400 in fiscal year 1992-93 and $3,646,400 in fiscal year 1993-94 for debt service.

49. NORTHERN KENTUCKY UNIVERSITY

	1992-93	1993-94
General Fund	28,789,800	29,521,000
Restricted Funds	32,080,600	34,239,600
Federal Funds	3,261,900	3,261,900
Total	64,132,300	67,022,500

Included in the above General Fund appropriation is $5,148,500 in fiscal year 1992-93 and $5,146,900 in fiscal year 1993-94 for debt service. Included in the above General Fund appropriation is $134,400 in fiscal year 1992-93 and $162,000 in fiscal year 1993-94 for maintenance and operation of new facilities coming on line during the 1992-94 biennium.

50. UNIVERSITY OF KENTUCKY

	1992-93	1993-94
General Fund	238,114,400	245,294,000
Restricted Funds	380,810,800	395,146,500
Federal Funds	55,251,400	56,722,200
Total	674,176,600	697,162,700

Included in the above General Fund appropriation is $18,371,500 in fiscal year 1992-93 and $17,951,400 in fiscal year 1993-94 for debt service. Included in the above General Fund appropriation is $1,650,600 for fiscal year 1992-93 and $1,700,100 in fiscal year 1993-94 for operations of the Kentucky Geological Survey previously included in the Economic Development Cabinet. Included in the above General Fund appropriation is $356,500 in fiscal year 1992-93 and $1,215,000 in fiscal year 1993-94 for maintenance and operation of new facilities coming on line during the 1992-94 biennium.

51. UNIVERSITY OF KENTUCKY COMMUNITY COLLEGE SYSTEM

	1992-93	1993-94
General Fund	70,837,300	73,030,200
Restricted Funds	47,144,200	48,519,000
Federal Funds	15,263,200	15,335,100
Total	133,244,700	136,884,300

Included in the above General Fund appropriation is $11,321,300 in fiscal year 1992-93 and $11,338,500 in fiscal year 1993-94 for debt service. Included in the above General Fund appropriation is $741,600 in fiscal year 1992-93 and $1,154,100 in fiscal year 1993-94 for maintenance and operation of new facilities coming on line during the 1992-94 biennium.

52. UNIVERSITY OF LOUISVILLE

	1992-93	1993-94
General Fund	133,086,400	137,242,700
Restricted Funds	162,623,400	166,428,400
Federal Funds	23,394,600	23,394,600
Total	319,104,400	327,065,700

Included in the above General Fund appropriation is $12,057,700 in fiscal year 1992-93 and $12,058,300 in fiscal year 1993-94 for debt service. Also included in the above General Fund appropriation is $13,614,200 in fiscal year 1992-93 and $14,077,100 in fiscal year 1993-94 to fulfill the Commonwealth's contractual obligation relating to indigent care furnished by Humana Hospital-University.

The General Fund appropriation related to indigent care in the first year of the biennium shall continue into the second year, for this purpose. Any unused portion of the General Fund appropriation relating to indigent care shall lapse to the credit of the General Fund at the end of fiscal year 1993-94. Included in the above General Fund appropriation is $234,800 in fiscal year 1993-94 for maintenance and operation of new facilities coming on line during the 1992-94 biennium.

53. WESTERN KENTUCKY UNIVERSITY

	1992-93	1993-94
General Fund	49,362,600	50,719,800
Restricted Funds	46,058,600	47,198,000
Federal Funds	9,558,500	9,558,500
Total	104,979,700	107,476,300

Included in the above General Fund appropriation is $4,317,100 in fiscal year 1992-93 and $4,322,900 in fiscal year 1993-94 for debt service.

TOTAL - HIGHER EDUCATION

	1992-93	1993-94
General Fund	687,194,500	709,106,700
Restricted Funds	818,242,100	847,925,900
Federal Funds	145,378,000	147,710,500
TOTAL	1,650,814,600	1,704,743,100

G. HUMAN RESOURCES

54. CABINET FOR HUMAN RESOURCES

a. Department for Social Insurance

1. Administration

	1992-93	1993-94
General Fund	40,887,500	41,451,900
Restricted Funds	13,754,800	13,524,700
Federal Funds	82,095,200	82,807,100
Total	136,737,500	137,783,700

The Department for Social Insurance shall reimburse citizen members of the Public Assistance Appeals Board an amount not to exceed $75 per day plus travel expenses.

If any portion of the above General Fund appropriation in either fiscal year is deemed to be in excess of the necessary expenses for administration of the department, such amount, with the approval of the Governor, may be used for Public Assistance Benefits to the needy and/or Medicaid Benefits in accordance with the statutes governing the functions and activities of the Department for Social Insurance and of the Department for Medicaid Services. In no instance shall these excess funds be used, without the prior written approval of the State Budget Director, to:

1. Establish a new program.

2. Expand the services of an existing program.

3. Increase rates or payment levels in an existing program.

In instances where approval is given, notification shall be immediately forwarded to the Legislative Research Commission, along with the State Budget Director's written approval and supporting documents from the Cabinet for Human Resources and the Finance and Administration Cabinet.

2. Benefits

	1992-93	1993-94
General Fund	80,455,700	85,095,400
Restricted Funds	11,568,700	12,622,500
Federal Funds	186,338,700	193,842,900
Total	278,363,100	291,560,800

These funds are to be used for the payment of benefits in accordance with the statutes governing the functions and activities of the Department for Social Insurance. No portion of this appropriation may be used for the costs of administration.

If any portion of the above General Fund appropriation in either fiscal year is deemed to be in excess of the necessary expenses for benefits, such amount, with the approval of the State Budget Director, may be transferred from the Department for Social Insurance Benefits appropriation to the Department for Medicaid Services Benefits appropriation to avoid a projected deficit provided no reduction in services or eligibles will result from the transfer. Such transfer shall be approved by the secretary of the Finance and Administration Cabinet after concurrence by the State Budget Director of the Governor's Office for Policy and Management. Such transfer shall be reported promptly to the Interim Joint Committee on Appropriations and Revenue.

In no instance shall these excess funds be used to:

1. Establish a new program.

2. Expand the services of an existing program.

3. Increase rates or payment levels in an existing program.

Notwithstanding the provisions of KRS 42.560 and KRS 42.570, the amount necessary to supplement federal funds to maintain program levels as appropriated is authorized from the Energy Trust Fund for fiscal year 1992-93 and fiscal year 1993-94 for the LIHEAP and Weatherization programs.

3. Welfare Reform

	1992-93	1993-94
General Fund	15,454,400	17,278,400
Federal Funds	28,249,900	32,203,500
Total	43,704,300	49,481,900

The Secretary for the Cabinet for Human Resources shall, on a quarterly basis, allocate the funds to meet the expenses of the various departments participating in implementing the Federal Family Support Act of 1988 after having notified the Secretary of the Finance and Administration Cabinet, the State Budget Director of the Governor's Office for Policy and Management, and the Interim Joint Committee on Appropriations and Revenue.

b. Department for Medicaid Services

1. Administration

	1992-93	1993-94
General Fund	15,213,800	15,955,700
Restricted Funds	3,391,900	3,399,900
Federal Fund	27,058,500	28,081,900
Total	45,664,200	47,437,500

If any portion of the General Fund appropriation in either fiscal year is deemed to be in excess of the necessary expenses for administration of the department, such amount, with the approval of the State Budget Director, may be used for Medicaid Benefits and/or Public Assistance Benefits to the needy in accordance with the statutes governing the functions and activities of the Department for Medicaid Services and of the Department for Social Insurance. In no instance shall these excess funds be used, without the prior written approval of the State Budget Director, to:

1. Establish a new program.
2. Expand the services of an existing program.
3. Increase rates or payment levels in an existing program.

In instances where approval is given, notification shall be immediately forwarded to the Legislative Research Commission, along with the State Budget Director's written approval and supporting documents from the Cabinet for Human Resources and the Finance and Administration Cabinet.

2. Benefits

	1992-93	1993-94
General Fund	417,000,000	468,100,000
Restricted Funds	202,085,000	225,885,000
Federal Funds	1,589,566,400	1,757,392,600
Total	2,208,651,400	2,451,377,600

These funds are to be used for the payment of benefits in accordance with the statutes governing the functions and activities of the Department for Medicaid Services. No portion of the General Fund appropriation may be used for the costs of administration.

If any portion of the General Fund appropriation in either fiscal year is deemed to be in excess of the necessary expenses for benefits, such amount, with the approval of the State Budget Director, may be transferred from the Department for Medicaid Services Benefits appropriation to the Department for Social Insurance Benefits appropriation to avoid a projected deficit, provided no reduction in services or eligibles will result from the transfer. Such transfer shall be approved by the Secretary of the Finance and Administration Cabinet after concurrence by the State Budget Director of the Governor's Office for Policy and Management. Such transfer shall be reported promptly to the Interim Joint Committee on Appropriations and Revenue. In no instance shall these funds be used to:

1. Establish a new program.
2. Expand the services of an existing program.
3. Increase rates of payment levels in an existing program.

Any hospital which has participated in the HICAP program during the 1990-92 biennium will be required to continue to serve individuals and families with incomes up to 100 percent of the poverty level as provided under KRS 205.575. These hospitals will also be required to provide Medicaid-covered outpatient care in addition to inpatient care.

c. Department for Employment Services

1. Employment Services

	1991-92	1992-93	1993-94
Restricted Funds	1,400,000	5,190,500	5,586,400
Federal Funds		81,243,200	81,025,400
Total	1,400,000	86,433,700	86,611,800

2. Administration-Unemployment Insurance

	1992-93	1993-94
Federal Funds	20,557,000	21,061,700

3. Benefits-Unemployment Insurance

	1992-93	1993-94
Federal Funds	301,600,000	310,900,000

TOTAL - EMPLOYMENT SERVICES

	1991-92	1992-93	1993-94
Restricted Funds	1,400,000	5,190,500	5,586,400
Federal Funds		403,400,200	412,987,100
TOTAL	1,400,000	408,590,700	418,573,500

Notwithstanding KRS 341.835, funds from the Unemployment Insurance Penalty and Interest Account shall be used during the 1992-94 biennium by the Department for Employement Services to operate employment and training programs.

d. Department for Health Services

	1992-93	1993-94
General Fund	45,284,000	45,434,000
Restricted Funds	11,119,500	11,307,700
Federal Funds	97,908,100	101,091,900
Total	154,311,600	157,833,600

Included in the above General Fund appropriation is $257,700 in fiscal year 1993 and fiscal year 1994 to provide toxicology services for the State Medical Examiner's Office.

e. Department for Mental Health/Mental Retardation Services

	1992-93	1993-94
General Fund	117,793,600	124,049,600
Restricted Funds	61,343,800	64,300,500
Federal Funds	20,665,500	21,681,000
Total	199,802,900	210,031,100

Included in the above General Fund appropriation is $5,080,100 in fiscal year 1992-93 and $5,651,700 in fiscal year 1993-94 for debt service.

f. Department for Social Services

	1992-93	1993-94
General Fund	107,907,000	128,340,000
Restricted Funds	16,831,500	4,537,500
Federal Funds	117,660,400	117,716,800
Total	242,398,900	250,594,300

Notwithstanding KRS 205.460, entities contracting with the cabinet to provide essential services under KRS 205.455 and this section shall provide local match, not less than the amount in effect during fiscal year 1991-92. Local match may include any combination of materials, commodities, transportation, office space, personal services or other types of facility services, or funds. The secretary shall prescribe the procedures to certify the local match assurance.

Included in the above General Fund appropriation is $266,200 in fiscal year 1992-93 and $477,000 in fiscal year 1993-94 for debt service. Notwithstanding KRS Chapter 600, included in the above General Fund appropriation is $88,200 for debt service in fiscal year 1992-93 and $88,100 for debt service in fiscal year 1993-94 and $250,000 for operating expenses in fiscal year 1993-94 to establish and operate a secure juvenile detention center. The construction of said facility will not commence before an agreement is entered into between the Cabinet for Human Resources and the local entity which will operate the juvenile detention facility for the balance of funds required to operate the facility above the $250,000 provided by the state.

g. Administration and Program Support

	1992-93	1993-94
General Fund	16,022,000	16,569,000
Restricted Funds	5,993,200	6,068,300
Federal Funds	16,111,700	16,633,900
Total	38,126,900	39,271,200

Included in the above General Fund appropriation is $5,835,600 in fiscal year 1992-93 and $6,284,800 in fiscal year 1993-94 for debt service.

Notwithstanding other provisions to the contrary, the secretary is directed to promulgate such administrative regulations as may be required to prescribe user fee amounts which are provided in the applicable restricted fund appropriations.

It is the intent of the General Assembly that the Secretary of the Cabinet for Human Resources may be permitted to transfer appropriations among and between the appropriation units in the Cabinet for Human Resources as identified below upon written approval of the State Budget Director of the Governor's Office for Policy and Management and the Secretary of the Finance and Administration Cabinet. Any transfers made under this provision shall be made pursuant to KRS 48.500 and shall be reported, in writing, to the Interim Joint Committee on Appropriations and Revenue. These transfers shall be limited to the following appropriation units for the Cabinet for Human Resources: Social Insurance Administration, Medicaid Services Administration, Health Services, Mental Health/Mental Retardation, Social Services, and Administration Program Support. In no event shall appropriations for debt service be transferred under these provisions.

55. COMMISSION FOR HANDICAPPED CHILDREN

	1992-93	1993-94
General Fund	7,895,000	7,995,000
Restricted Funds	1,545,000	1,591,400

Federal Funds	4,134,800	4,134,800
Total	13,574,800	13,721,200

56. COMMISSION FOR HEALTH ECONOMICS CONTROL IN KENTUCKY

	1992-93	1993-94
General Fund	423,000	423,000
Restricted Funds	152,700	116,700
Total	575,700	539,700

TOTAL - HUMAN RESOURCES CABINET

	1991-92	1992-93	1993-94
General Fund		864,336,000	950,692,000
Restricted Funds	1,400,000	332,976,600	348,940,600
Federal Funds		2,573,189,400	2,768,573,500
TOTAL	1,400,000	3,770,502,000	4,068,206,100

H. JUSTICE/CORRECTIONS

57. JUSTICE CABINET

a. Department of State Police

	1992-93	1993-94
General Fund	42,575,500	44,685,300
Restricted Funds	3,019,500	3,143,900
Road Fund	27,750,000	27,750,000
Federal Funds	5,000,000	5,000,000
Total	78,345,000	80,579,200

Included in the above General Fund appropriation is debt service of $291,000 in fiscal year 1992-93 and $279,700 in fiscal year 1993-94 for previously issued bonds.

There is hereby appropriated from the General Fund to the Department of State Police, subject to the conditions and procedures provided in this Act, funds which are required as a result of the Governor's call of the Kentucky State Police to extraordinary duty; provided, however, that an emergency situation shall have been declared to exist by the Governor.

b. Justice Administration

	1992-93	1993-94
General Fund	2,386,100	2,457,700
Restricted Funds	1,199,400	1,182,200
Federal Funds	7,457,700	7,446,100
Total	11,043,200	11,086,000

c. Criminal Justice Training

	1992-93	1993-94
Restricted Funds	16,965,400	17,344,600

Under the provisions of the Kentucky Law Enforcement Foundation Program Fund, an eligible local unit of government shall be entitled to receive a supplement to each qualified police officer's annual base salary from the Law Enforcement Foundation Program Fund, to be paid to each officer in addition to his regular salary as prescribed by KRS 15.460 and KRS 15.500. Included in the above appropriation is $11,244,300 in fiscal year 1992-93 and $11,540,300 in fiscal year 1993-94 for training incentive payments pursuant to KRS 15.430, from receipts pursuant to KRS 136.392. It is the intent of the 1992 General Assembly that in the event funds appropriated from the Kentucky Law Enforcement Foundation Program Fund (KLEFPF) for training incentive payments are not sufficient to ensure each participant a training incentive payment which is at least $2,500, the General Assembly hereby directs that any amounts available to KLEFPF be utilized to ensure such payment.

Also included in the above restricted funds appropriation is $3,603,500 in fiscal year 1992-93 and $3,685,200 in fiscal year 1993-94 for the cost of operating the Department of Criminal Justice Training, for the operation of the Kentucky Law Enforcement Council program and the administration of the Kentucky Law Enforcement Foundation Program Fund. Also included is $1,117,600 for debt service in fiscal year 1992-93 and $1,119,100 for debt service in fiscal year 1993-94 for bonds previously issued. Any provisions to the contrary codified in KRS 15.430-510, KRS 42.192 or KRS 136.392 are hereby suspended.

In addition, $1,000,000 in each fiscal year of the biennium is transferred from the Kentucky Law Enforcement Foundation Program Fund.

TOTAL - JUSTICE CABINET

	1992-93	1993-94
General Fund	44,961,600	47,143,000
Restricted Funds	21,184,300	21,670,700
Road Fund	27,750,000	27,750,000
Federal Funds	12,457,700	12,446,100
TOTAL	106,353,600	109,009,800

It is the intent of the General Assembly that the Secretary of the Justice Cabinet may be permitted to transfer appropriations among and between the appropriation units in the Justice Cabinet as identified above upon written approval of the State Budget Director of the Governor's Office for Policy and Management and the Secretary of the Finance and Administration Cabinet. Any transfers made under this provision shall be made pursuant to KRS 48.500 and shall be reported, in writing, to the Interim Joint Committee on Appropriations and Revenue. In no event shall appropriations for debt service be transferred under these provisions.

58. CORRECTIONS CABINET

a. Corrections Management

	1992-93	1993-94
General Fund	22,099,100	23,696,400
Restricted Funds	8,500	8,500
TOTAL	22,107,600	23,704,900

Included in the General Fund appropriation is $16,891,800 in fiscal year 1992-93 and $16,878,000 in fiscal year 1993-94 for debt service on previously issued bonds for State Property and Buildings Commission Projects 32, 36, 48, 49, 52, and 53.

Included in the General Fund appropriation is $338,900 in fiscal year 1992-93 and $1,837,600 in fiscal year 1993-94 for new debt service to fund expansion of Muhlenberg County Prison, Phase I, a new replacement dormitory at the Kentucky State Reformatory, and a new kitchen/dining room at Roederer Correctional Complex. The new debt service will also support the major maintenance item of steamline repair/replacement at Northpoint Training Center.

Also included in the General Fund appropriation is $820,800 in fiscal year 1992-93 and $837,300 in fiscal year 1993-94 for the operation of the Parole Board.

b. Adult Institutions

	1992-93	1993-94
General Fund	110,185,400	114,997,600
Restricted Funds	13,931,400	12,307,500
Federal Funds	972,000	972,000
TOTAL	125,088,800	128,277,100

c. Community Service and Local Facilities

	1992-93	1993-94
General Fund	30,168,800	33,373,900
Restricted Funds	426,500	426,500
Federal Funds	27,200	27,200
TOTAL	30,622,500	33,827,600

d. Local Jails Support

	1992-93	1993-94
General Fund	15,507,600	15,507,600

Included in the General Fund appropriation is $954,800 in fiscal year 1992-93 and $954,800 in fiscal year 1993-94 for medical care contracts to be distributed, upon approval of the Corrections Cabinet, to counties by the formula codified in KRS 441.206; $200,000 in fiscal year 1992-93 and $200,000 in fiscal year 1993-94 is provided, on a partial reimbursement basis, for medical claims in excess of the statutorily established threshold pursuant to KRS 441.045.

It is the intent of the General Assembly that the $954,800 in fiscal year 1992-93 and $954,800 in fiscal year 1993-94 for medical contracts be maintained in an account specifically for medical contracts. It is the intention of the General Assembly that $200,000 in fiscal year 1992-93 and $200,000 in fiscal year 1993-94 be maintained in a separate account for catastrophic medical expenses for indigents. It is the intention of the General Assembly that any medical claim which exceeds the statutory threshold may be reimbursed for that amount in excess of the statutory threshold. In no event shall this apply to expenses of an elective, as opposed to emergency, basis and expenses shall be paid according to the Kentucky Medical Assistance Schedule.

TOTAL—CORRECTIONS

	1992-93	1993-94
General Fund	177,960,900	187,575,500
Restricted Funds	14,366,400	12,742,500
Federal Funds	999,200	999,200
Total	193,326,500	201,317,200

It is the intent of the General Assembly that the Secretary of the Corrections Cabinet or the Commissioner of Corrections, as appropriate, may be permitted to transfer appropriations among and between the appropriation units in the Corrections Cabinet as identified above upon written approval of the State Budget Director of the Governor's Office for Policy and Management and the Secretary of the Finance and Administration Cabinet. Any transfers made under this provision shall be made pursuant to KRS 48.500 and shall be reported, in writing, to the Interim Joint Committee on Appropriations and Revenue. These transfers shall be limited to the following budget units for the Corrections Cabinet: Corrections Management, Adult Institutions, and Community Service and Local Facilities. In no event shall appropriations for debt service be transferred under these provisions.

I. LABOR

59. LABOR CABINET

a. Secretary

	1992-93	1993-94
General Fund	188,500	208,600
Restricted Funds	2,852,300	2,818,400
Total	3,040,800	3,027,000

b. Department of Workplace Standards

	1992-93	1993-94
General Fund	1,482,700	1,529,600
Restricted Funds	120,356,000	131,621,700
Federal Funds	4,905,300	5,143,400
Total	126,744,000	138,294,700

c. Department of Workers' Claims

	1992-93	1993-94
Restricted Funds	7,505,100	7,860,000

The Commissioner of the Department of Workers' Claims shall be paid a salary not to exceed the salary of an administrative law judge as provided in KRS Chapter 342.

The Labor Cabinet shall report monthly to the Interim Joint Committee on Appropriations and Revenue its monthly expenditures of restricted agency funds and the nature of such expenditures. Separate reporting shall be done by each department within the Labor Cabinet and for general administration and support.

Notwithstanding the provisions of KRS Chapter 342 to the contrary, the Office of the Attorney General shall be responsible for the administration of the uninsured employers' fund and shall be charged with the conservation of the assets of the fund. Funds to reimburse the Attorney General's Office for expenses incurred in litigation and administration in defense of the uninsured employers' fund shall be transferred upon request of the Attorney General's Office and approved by the Secretary of the Labor Cabinet.

The Office of the Attorney General shall report monthly to the Interim Joint Committee on Appropriations and Revenue the amount of the restricted funds expenditures in each month for the uninsured employers' fund and the nature of such expenditures.

d. Kentucky Occupational Safety and Health Review

	1992-93	1993-94
Federal Funds	342,100	358,700

TOTAL - LABOR CABINET

	1992-93	1993-94
General Fund	1,671,200	1,738,200
Restricted Funds	130,713,400	142,300,100
Federal Funds	5,247,400	5,502,100
TOTAL	137,632,000	149,540,400

It is the intent of the General Assembly that the Secretary of the Labor Cabinet may be permitted to transfer appropriations among and between the appropriation units in the Labor Cabinet as identified above upon written approval of the State Budget Director of the Governor's Office for Policy and Management and the Secretary of the Finance and Administration Cabinet. Any transfers made under this provision shall be made pursuant to KRS 48.500 and shall be reported, in writing, to the Interim Joint Committee on Appropriations and Revenue. In no event shall appropriations for debt service be transferred under these provisions.

J. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

60. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET

a. Department for Natural Resources

	1992-93	1993-94
General Fund	7,253,700	7,567,700
Restricted Funds	6,554,100	6,207,800
Federal Funds	2,671,500	2,509,900
Total	16,479,300	16,285,400

Not less than $240,000 of the General Fund appropriation for each fiscal year shall be set aside for emergency forest fire suppression. Any expenditure for emergency fire suppression in excess of this amount in either fiscal year is hereby appropriated; provided, however, upon recommendation of the State Budget Director, the Secretary of the Finance and Administration Cabinet shall approve such expenditure by written order, subject to the conditions and procedures provided in this Act.

Notwithstanding KRS 262.640, included in the above appropriations is $852,400 in fiscal year 1992-93 and $868,300 in fiscal year 1993-94 in restricted funds for the operation of the Division of Conservation.

b. Department for Environmental Protection

	1992-93	1993-94
General Fund	16,352,000	16,644,800
Restricted Funds	11,541,900	12,485,900
Federal Funds	10,050,700	9,116,500
Total	37,944,600	38,247,200

Notwithstanding KRS 224.43-320, no funds are provided in the above appropriations for the assignment of full-time inspectors to each municipal solid waste landfill operating in the Commonwealth.

It is the intent of the General Assembly that a new fee structure be implemented effective July 1, 1992 for the Division of Air Quality which will generate funds sufficient to finance the non-asbestos-related activities of the Division.

c. Department for Surface Mining Reclamation and Enforcement

	1992-93	1993-94
General Fund	12,153,900	12,202,700
Restricted Funds	3,485,400	3,575,500
Federal Funds	16,261,200	16,525,200
Total	31,900,500	32,303,400

Included in the General Fund appropriation is $750,000 in each fiscal year for the return of permit and acreage fees per KRS 350.139; any required expenditure for this purpose in excess of this amount in either fiscal year is hereby appropriated to the department.

d. Department of Law

	1992-93	1993-94
General Fund	1,331,400	1,819,800
Restricted Funds	75,600	112,100
Federal Funds	4,126,700	3,689,500
Total	5,533,700	5,621,400

e. General Administration and Support

	1992-93	1993-94
General Fund	3,096,200	3,182,200
Restricted Funds	11,200	7,800
Federal Funds	345,600	325,200
Total	3,453,000	3,515,200

TOTAL - NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET

	1992-93	1993-94
General Fund	40,187,200	41,417,200
Restricted Funds	21,668,200	22,389,100
Federal Funds	33,455,700	32,166,300
TOTAL	95,311,100	95,972,600

It is the intent of the General Assembly that the Secretary of the Natural Resources and Environment Protection Cabinet may be permitted to transfer appropriations among and between the appropriation units in the Natural Resources and Environmental Protection Cabinet upon written approval of the State Budget Director of the Governor's Office for Policy and Management and the Secretary of the Finance and Administration Cabinet. Any transfers made under this provision shall be made pursuant to KRS 48.500 and shall be reported, in writing, to the Interim Joint Committee on Appropriations and Revenue. In no event shall appropriations for debt service be transferred under these provisions.

61. ENVIRONMENTAL QUALITY COMMISSION

	1992-93	1993-94
General Fund	175,600	193,700

62. KENTUCKY NATURE PRESERVES COMMISSION

	1992-93	1993-94
General Fund	394,100	382,500
Restricted Funds	133,300	31,000
Federal Funds	170,300	169,600
Total	697,700	583,100

63. PETROLEUM STORAGE TANK ENVIRONMENTAL ASSURANCE FUND COMMISSION

	1992-93	1993-94
Restricted Funds	9,253,400	9,260,500

TOTAL - NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

	1992-93	1993-94
General Fund	40,756,900	41,993,400
Restricted Funds	31,054,900	31,680,600
Federal Funds	33,626,000	32,335,900
TOTAL	105,437,800	106,009,900

K. PUBLIC PROTECTION AND REGULATION CABINET

64. OFFICE OF THE SECRETARY

	1992-93	1993-94
General Fund	295,600	304,500

65. DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

	1992-93	1993-94
General Fund	1,513,300	1,558,700
Restricted Funds	391,500	391,500
Total	1,904,800	1,950,200

66. BOARD OF CLAIMS/CRIME VICTIMS COMPENSATION BOARD

	1992-93	1993-94
General Fund	473,200	487,400
Restricted Funds	1,125,300	1,162,600
Federal Funds	327,800	337,600
Total	1,926,300	1,987,600

67. BOARD OF TAX APPEALS

	1992-93	1993-94
General Fund	246,000	253,400

68. DEPARTMENT OF HOUSING, BUILDINGS AND CONSTRUCTION

	1992-93	1993-94
General Fund	2,908,300	2,995,500
Restricted Funds	25,758,800	24,335,600
Federal Funds	4,000	4,000
Total	28,671,100	27,335,100

69. KENTUCKY RACING COMMISSION

	1992-93	1993-94
General Fund	876,300	4,652,600
Restricted Funds	8,748,200	8,917,700
Total	9,624,500	13,570,300

Included in the above restricted funds appropriation is $759,900 in fiscal year 1992-93 and $786,400 in fiscal year 1993-94 for the Backside Improvement Commission.

70. DEPARTMENT OF MINES AND MINERALS

	1992-93	1993-94
General Fund	6,790,100	6,993,800
Restricted Funds	1,391,100	1,358,000
Federal Funds	705,300	720,600
Total	8,886,500	9,072,400

71. DEPARTMENT OF PUBLIC ADVOCACY

	1992-93	1993-94
General Fund	10,277,000	10,585,300
Restricted Funds	525,400	541,200
Federal Fund	1,051,000	1,101,900
Total	11,853,400	12,228,400

72. PUBLIC SERVICE COMMISSION

	1992-93	1993-94
General Fund	5,353,400	6,156,900
Restricted Funds	38,600	22,500
Federal Funds	120,000	120,000
Total	5,512,000	6,299,400

73. REGISTRY OF ELECTION FINANCE

	1991-92	1992-93	1993-94
General Fund	300,500	1,192,800	1,228,600

74. DEPARTMENT OF FINANCIAL INSTITUTIONS

	1992-93	1993-94
Restricted Funds	5,077,900	5,225,800

75. DEPARTMENT OF INSURANCE

	1992-93	1993-94
Restricted Funds	8,421,000	8,649,600
Total	8,421,000	8,649,600

TOTAL - PUBLIC PROTECTION AND REGULATION CABINET

	1991-92	1992-93	1993-94
General Fund	300,500	29,926,000	35,216,700
Restricted Funds		51,477,800	50,604,500
Federal Funds		2,208,100	2,284,100
TOTAL	300,500	83,611,900	88,105,300

L. REVENUE

76. REVENUE CABINET

a. Department of Administrative Services

	1991-92	1992-93	1993-94
General Fund	150,000	15,469,400	16,097,800
Restricted Funds		122,500	55,000
Total	150,000	15,591,900	16,152,800

b. Property Valuation Administrators

	1992-93	1993-94
General Fund	16,161,200	15,615,900
Restricted Funds	2,096,800	1,955,200
Total	18,258,000	17,571,100

Included in the above General Fund appropriation is $1,500,000 in fiscal year 1992-93 and $500,000 in fiscal year 1993-94 for continuation of the Emergency Assessment Program to be administered by the Department of Property Taxation. Any balance at the end of fiscal year 1992-93 shall not lapse, but shall be carried forward for the completion of this program.

c. Department of Tax Compliance

	1992-93	1993-94
General Fund	19,047,100	20,517,400
Road Fund	1,000,000	1,000,000
Restricted Funds	2,456,800	1,252,400
Total	22,503,900	22,769,800

The Road Funds appropriated above represent the cost of the Road Fund Compliance Programs within the Revenue Cabinet including six additional permanent full-time employees and are to be used exclusively for that purpose.

Notwithstanding the provision of KRS 365.390, the accumulated balance in the Cigarette Enforcement Agency Fund Account is hereby appropriated for any lawful tax compliance activity.

d. Department of Property Taxation

	1991-92	1992-93	1993-94
General Fund	975,500	5,428,100	5,557,700
Road Fund		250,000	250,000
Restricted Funds		354,000	254,000
Total	975,500	6,032,100	6,061,700

The Road Funds appropriated above represent the road fund portion of the costs of the Motor Vehicle Property Tax program and are to be used exclusively for that purpose. In accordance with the provisions of KRS 134.400 it is the intent of the General Assembly to establish the Delinquent Tax Fund in the Department of Property Taxation. Proceeds shall be deposited to this account according to KRS 134.400 except that the first $100,000 shall be deposited exclusively to the General Fund.

TOTAL - REVENUE CABINET

	1991-92	1992-93	1993-94
General Fund	1,125,500	56,105,800	57,788,800
Road Fund		1,250,000	1,250,000
Restricted Funds		5,030,100	3,516,600
TOTAL	1,125,500	62,385,900	62,555,400

It is the intent of the General Assembly that the Secretary of the Revenue Cabinet may be permitted to transfer appropriations among and between the appropriation units in the Revenue Cabinet as identified below upon written approval of the State Budget Director of the Governor's Office for Policy and Management and the Secretary of the Finance and Administration Cabinet. Any transfers made under this provision shall be made pursuant to KRS 48.500 and shall be reported, in writing, to the Interim Joint Committee on Appropriations and Revenue. These transfers shall be limited to the following appropriation units for the Revenue Cabinet: Administrative Services, Tax Compliance, and Property Taxation. In no event shall appropriations for debt service be transferred under these provisions.

M. TOURISM

77. OFFICE OF SECRETARY

	1992-93	1993-94
General Fund	1,090,600	1,123,300

Included in the General Fund appropriation is $180,000 in fiscal year 1993 and $180,000 in fiscal year 1994 for Outdoor Drama Grants.

78. BREAKS INTERSTATE PARK

	1992-93	1993-94
General Fund	89,900	89,900

Funds are appropriated for construction, maintenance, and operations at the Breaks Interstate Park. In accordance with the Breaks Interstate Compact, this appropriation is contingent upon an appropriation by the Commonwealth of Virginia adequate to match appropriations by the Commonwealth of Kentucky cumulatively to date, and any unmatched appropriations provided herein by the Commonwealth of Kentucky may be withheld.

79. DEPARTMENT OF TRAVEL DEVELOPMENT

	1992-93	1993-94
General Fund	6,010,200	6,190,500

80. DEPARTMENT OF PARKS

	1992-93	1993-94
General Fund	23,546,600	34,878,300
Restricted Funds	39,698,000	41,780,000
Total	63,244,600	76,658,300

Included in the General Fund appropriation is $3,256,000 in fiscal year 1992-93 and $3,252,000 in fiscal year 1993-94 for debt service for Projects 45, 48, 49, 50, 51, 52, 53, and $1,103,000 of debt service in each year of the bienniun for reauthorized unissued bonds. The General Fund appropriation also includes $30,500 in fiscal year 1993 and $10,369,000 in fiscal year 1994 for new debt service authorization for projects identified in Part II.

81. KENTUCKY HORSE PARK

	1992-93	1993-94
General Fund	2,107,900	2,127,800
Restricted Funds	3,800,300	3,914,300
Total	5,908,200	6,042,100

Included in the General Fund appropriation is $1,373,100 in fiscal year 1992-93 and $1,371,000 in fiscal year 1993-94 for debt service for Projects 29 and 53.

82. STATE FAIR BOARD

	1992-93	1993-94
General Fund	7,791,900	10,391,900
Restricted Funds	19,431,100	20,077,700
Total	27,223,000	30,469,600

Included in the General Fund appropriation is $7,567,000 in fiscal year 1992-93 and $7,600,000 in fiscal year 1993-94 for debt service for Projects 21, 26, 38, 48, and 50. The General Fund appropriation also includes $2,567,000 in fiscal year 1994 for new debt service authorization for projects identified in Part II. Also included in the Restricted Funds appropriation is $371,000 in each year of the biennium for debt service for Project 21.

Also included in the General Fund appropriation is $224,900 in each year of the biennium for the North American International Livestock Exposition. Included in the Restricted Funds appropriation is not less than $200,000 in increased direct support of the North American International Livestock Exposition.

83. FISH AND WILDLIFE RESOURCES

	1992-93	1993-94
Restricted Funds	19,242,700	19,926,800

TOTAL-TOURISM CABINET

	1992-93	1993-94
General Fund	40,637,100	54,801,700
Restricted Funds	82,172,100	85,698,800
TOTAL	122,809,200	140,500,500

It is the intent of the General Assembly that the secretary of the Tourism Cabinet may be permitted to transfer appropriations among and between the appropriation units in the Tourism Cabinet as identified below upon written approval of the State Budget Director of the Governor's Office for Policy and Management and the Secretary of the Finance and Administration Cabinet. Any transfers made under this provision shall be made pursuant to KRS 48.500 and shall be reported, in writing, to the Interim Joint Committee on Appropriations and Revenue. These transfers shall be limited to the following appropriation units for the Tourism Cabinet: the Office of the Secretary and the Department of Travel Development. In no event shall appropriations for debt service be transferred under these provisions.

N. TRANSPORTATION

84. TRANSPORTATION CABINET

a. General Administration and Support

	1992-93	1993-94
Restricted Funds	6,545,200	6,615,700
Road Fund	43,627,100	44,336,400
Total	50,172,300	50,952,100

b. Air, Rail, and Public Transportation

	1992-93	1993-94
General Fund	2,677,900	2,100,400
Restricted Funds	116,300	116,300
Federal Funds	3,827,100	3,841,500
Total	6,621,300	6,058,200

1. Included within the above General Fund appropriation is $68,000 in fiscal year 1992-93 and $70,800 in fiscal year 1993-94 for the Railroad Commission.

2. Included within the above General Fund appropriation is $500,000 in fiscal year 1992-93 for safety and economic development related rail rehabilitation from Paducah to Kevil.

c. Revenue Sharing

	1992-93	1993-94
Road Fund	173,396,400	176,790,400

1. Included within the above Road Fund appropriation is $65,459,100 in fiscal year 1992-93 and $66,740,100 in fiscal year 1993-94 for the County Road Aid program in accordance with 177.320 and KRS 179.410 through 179.440.

2. Included within the above Road Fund appropriation is $79,409,400 in fiscal year 1992-93 and $80,963,400 in fiscal year 1993-94 for the Rural Secondary program in accordance with KRS 177.320 through 177.360.

3. Included within the above Road Fund appropriation is $27,542,900 in fiscal year 1992-93 and $28,081,900 in fiscal year 1993-94 for the Municipal Road Aid program in accordance with KRS 177.365 through 177.369.

4. Included within the above Road Fund appropriation is $985,000 in fiscal year 1992-93 and $1,005,000 in fiscal year 1993-94 for the Energy Recovery Road Fund in accordance with KRS 177.977 through 177.981.

d. Highways

	1991-92	1992-93	1993-94
Restricted Funds	19,090,000	4,322,500	2,100,000
Federal Funds		306,345,000	282,461,000
Road Fund		405,025,300	387,558,900
Bond Fund			160,000,000
Total	19,090,000	875,692,800	672,119,900

1. Included within the above Road Fund appropriation is $131,821,500 in fiscal year 1992-93 and $115,398,500 in fiscal year 1993-94 for state construction projects.

Included within the state construction program is $30,505,500 in fiscal year 1992-93 and $15,000,500 in fiscal year 1993-94 for the Highway Construction Contingency account for the purposes as provided in KRS Chapter 45.

Included within the state construction program is $20,000,000 in fiscal year 1992-93 and $20,000,000 in fiscal year 1993-94 for the Secretary's Emergency fund. These moneys may be utilized by the Secretary of Transportation for projects of an emergency nature, to promote economic or industrial development, to relieve a hazardous condition or for other purposes which the Secretary determines to be a priority.

2. Included within the above Road Fund appropriation is $48,000,000 in fiscal year 1992-93 and $48,000,000 in fiscal year 1993-94 for state resurfacing projects.

3. Included within the above Road Fund appropriation is $190,000 in fiscal year 1992-93 and $190,000 in fiscal year 1993-94 for the Kentucky Transportation Center.

4. Included in the above Bond Fund appropriation is $10,000,000 in Investment Income Earnings from the issuance of the $150,000,000 Economic Development Road Bonds authorized herein.

e. Vehicle Regulation

	1992-93	1993-94
Restricted Funds	1,657,900	1,554,800
Federal Funds	1,000,000	1,000,000
Road Fund	19,884,600	20,588,500
Total	22,542,500	23,143,300

f. Debt Service

	1992-93	1993-94
Road Fund	143,071,900	158,140,700

1. Included within the above Road Fund appropriation is $23,807,200 in fiscal year 1992-93 and $23,542,400 in fiscal year 1993-94 for toll road lease rental payments.

2. Included within the above Road Fund appropriation is $14,091,000 in fiscal year 1992-93 and $14,057,400 in fiscal year 1993-94 for debt service on general obligation highway bonds.

3. Included within the above Road Fund appropriation is $41,868,700 in fiscal year 1992-93 and $41,859,900 in fiscal year 1993-94 for Resource Recovery Road lease rental payments. It is the intent of the General Assembly that the Secretary of Transportation shall use Road Fund resources to meet the lease rental payments to the Kentucky Turnpike Authority for Resource Recovery Road projects in the amount certified by the Transportation Cabinet, pursuant to KRS 143.092. However, in the event that Road Fund resources are not sufficient to meet lease rental payments, the additional amount required to meet the obligation shall be transferred from the proceeds of the tax levied on the severance or processing of coal by KRS 143.020.

4. Included within the above Road Fund appropriation is $63,305,000 in fiscal year 1992-93 and $63,303,800 in fiscal year 1993-94 for Economic Development Road lease rental payments relating to projects financed by Economic Development Road Bonds previously issued by the Turnpike Authority of Kentucky.

5. Included within the above Road Fund appropriation is $15,377,200 in fiscal year 1993-94 for Economic Development Road lease rental payments to the Turnpike Authority of Kentucky relating to projects financed by an additional $150 million in Economic Development Road Bonds hereby authorized by the General Assembly to be issued in the 1992-94 fiscal biennium for the payment of the cost of the economic development road projects in accordance with 175.780.

Notwithstanding the provisions of KRS 138.660(4), during the period beginning April 1, 1992 and ending June 30, 1994, in addition to those taxes imposed in KRS 138.660(1), (2) and (3); every motor carrier shall pay for every motor vehicle operated upon the public highways of this state with a combined licensed weight in excess of fifty-nine thousand nine hundred and ninety-nine (59,999) pounds an additional one and fifteen hundredths (1.15) cents per mile.

Notwithstanding the provisions of KRS 175.505, it is the intent of the General Assembly that no interest is to accrue to the Debt Payment Acceleration Fund Escrow Account during the 1992-94 biennium. Furthermore, no portion of the revenues to the state Road Fund provided by the adjustments in KRS 138.220(2), excluding the provisions of KRS 177.320 and 177.365, shall accrue to the Debt Payment Acceleration Fund account during the 1992-94 biennium. Any unexpended balance remaining in the Debt Payment Acceleration Fund Escrow account at the close of the 1991-92 fiscal year is hereby appropriated.

It is the intent of the General Assembly that any unexpended balance remaining at the close of the 1991-92 fiscal year in the Snow and Ice Removal Reserve Fund, as reestablished by the 1992 General Assembly, shall be appropriated in fiscal year 1992-93 for the same purpose.

Notwithstanding the provisions of KRS 47A.(Section N) it is the intent of the General Assembly that no interest is to accrue to the Snow and Ice Removal Reserve Fund account during the 1990-92 biennium.

No funds shall be expended from the Snow and Ice Removal Reserve Fund until the Transportation Cabinet's cumulative snow and ice removal expenditures, in any fiscal year of the 1992-94 biennium exceed $6,700,000. In the event that this provision is implemented, the Transportation Cabinet shall certify to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Transportation the documented need and usage of this fund.

Any unexpended balance remaining in the Snow and Ice Removal Reserve Fund at the close of the 1992-93 fiscal year shall not lapse, but shall continue into fiscal year 1993-94.

TOTAL - TRANSPORTATION CABINET

	1991-92	1992-93	1993-94
General Fund		2,677,900	2,100,400
Restricted Funds	19,090,000	12,641,900	10,386,800
Federal Funds		311,172,100	287,302,500
Road Fund		785,005,300	787,414,900
Bond Fund		160,000,000	
TOTAL	19,090,000	1,271,497,200	1,087,204,600

O. WORKFORCE DEVELOPMENT

85. EXECUTIVE POLICY AND MANAGEMENT

	1992-93	1993-94
General Fund	619,600	638,200
Federal Funds	106,600	106,600
TOTAL	726,200	744,800

Included in the above Federal Fund appropriation is $106,600 in fiscal year 1992-93 and $106,600 in fiscal year 1993-94 for the Client Assistance Program.

86. DEPARTMENT FOR THE BLIND

	1992-93	1993-94
General Fund	1,397,000	1,438,900
Restricted Funds	2,606,400	2,480,800
Federal Funds	6,327,900	6,733,600
Total	10,331,300	10,653,300

87. GOVERNOR'S COMMISSION ON LITERACY

	1992-93	1993-94
General Fund	1,305,700	1,344,900
Restricted Funds	162,400	162,400
Federal Funds	645,200	645,200
Total	2,113,300	2,152,500

88. ADULT BASIC EDUCATION

	1992-93	1993-94
General Fund	5,158,400	5,313,200
Restricted Funds	519,000	502,300
Federal Funds	6,827,900	7,264,700
Total	12,505,300	13,080,200

89. ADULT TECHNICAL EDUCATION

	1992-93	1993-94
General Fund	53,609,500	60,217,800
Restricted Funds	28,552,600	29,729,500
Federal Funds	24,510,500	25,043,400
Total	106,672,600	114,990,700

Included in the above General Fund appropriation is $275,000 in fiscal year 1992-93 and $5,283,300 in fiscal year 1993-94 for the staffing, maintenance, and operation of new or expanded vocational facilities as authorized by the 1990 General Assembly.

90. STATE BOARD FOR ADULT AND TECHNICAL EDUCATION

	1992-93	1993-94
General Fund	35,400	36,500

91. VOCATIONAL REHABILITATION

	1992-93	1993-94
General Fund	6,190,800	6,354,400
Restricted Funds	2,082,500	2,226,600
Federal Funds	30,560,300	30,781,700
Total	38,833,600	39,362,700

Included in the above General Fund appropriation is $70,000 in fiscal year 1992-93 and $50,000 in fiscal year 1993-94 to provide technical assistance to employers concerning the Americans with Disabilities Act.

92. GENERAL ADMINISTRATION AND SUPPORT

	1992-93	1993-94
General Fund	6,118,400	6,524,000
Restricted Funds	1,864,800	1,941,300
Total	7,983,200	8,465,300

Included in the above General Fund appropriation is debt service in the amount of $3,534,300 in fiscal year 1992-93 and $3,531,400 in fiscal year 1993-94 for previously issued bonds. Included in the above General Fund appropriation is debt service in the amount of $222,000 in fiscal year 1993-94 for the Industrial Technology Building Upgrade at the Hazard State Vocational Technical School.

93. TEACHER RETIREMENT EMPLOYER CONTRIBUTION MATCH

	1991-92	1992-93	1993-94
General Fund	2,400,000	7,621,800	7,850,500

The above General Fund appropriation includes the employer match for salaries paid to vocational teachers and other Cabinet for Workforce Development employees who participate in the Teachers' Retirement System. This match will be forwarded to the Teachers' Retirement System pursuant to the provisions of KRS 161.560.

94. STATE BOARD FOR PROPRIETARY EDUCATION

	1992-93	1993-94
Restricted Funds	97,700	100,700

95. GOVERNOR'S COUNCIL ON VOCATIONAL EDUCATION

	1992-93	1993-94
Federal Funds	140,200	144,500

96. JOB TRAINING COORDINATING COUNCIL

	1992-93	1993-94
Federal Funds	151,000	155,500

97. KENTUCKY OCCUPATIONAL INFORMATION COORDINATING COMMITTEE

	1992-93	1993-94
Federal Funds	124,500	122,200

TOTAL - WORKFORCE DEVELOPMENT

	1991-92	1992-93	1993-94
General Fund	2,400,000	82,056,600	89,718,400
Restricted Funds		35,885,400	37,143,600
Federal Funds		69,394,100	70,997,400
TOTAL	2,400,000	187,336,100	197,859,400

It is the intent of the General Assembly that the Secretary of the Workforce Development Cabinet may be permitted to transfer appropriations among and between the appropriation units identified above in the Workforce Development Cabinet upon written approval of the State Budget Director of the Governor's Office for Policy and Management and the Secretary of the Finance and Administration Cabinet. Any transfers made under this provision shall be made pursuant to KRS 48.500 and shall be reported, in writing, to the Interim Joint Committee on Appropriations and Revenue. These transfers shall be limited to the following appropriation units for the Workforce Development Cabinet: Department for the Blind, Vocational Rehabilitation, General Administration and Support, Adult Basic Education, Executive Policy and Management, and Adult Technical Education. In no event shall appropriations for debt service be transferred under these provisions.

SUBTOTAL - Executive Department of State Government

OPERATING BUDGET

	1991-92	1992-93	1993-94
General Fund	4,078,700	4,479,235,800	4,754,163,800
Restricted Funds	20,490,000	1,833,329,500	1,906,215,700
Federal Funds		3,477,647,500	3,654,019,300
Road Fund		814,005,300	816,414,900
Bond Funds		160,000,000	
Subtotal	24,568,700	10,764,218,100	11,130,813,700

CAPITAL PROJECTS

	1991-92	1992-93	1993-94
General Fund		4,516,200	10,967,900
Restricted Funds		270,068,450	98,238,700
Federal Funds		84,316,050	65,626,700
Bond Funds	6,600,000	184,590,600	63,218,500
Road Fund		2,010,000	2,685,000
Agency Bonds	11,966,000	23,000,000	
Capital Construction Surplus		1,678,000	1,526,000

Investment Income		14,556,000	13,166,500
Other Funds	197,000	5,291,500	1,000,000
Subtotal	18,763,000	590,026,800	256,429,300

BUDGET RESERVE TRUST FUND

		1992-93	1993-94
General Fund	5,000,000	5,000,000	

TOTAL-EXECUTIVE DEPARTMENT OF STATE GOVERNMENT

	1991-92	1992-93	1993-94
General Fund	4,078,700	4,488,752,000	4,770,131,700
Restricted Funds	20,490,000	2,103,397,950	2,004,454,400
Federal Funds		3,561,963,550	3,719,646,000
Road Fund		816,015,300	819,099,900
Bond Funds	6,600,000	344,590,600	63,218,500
Agency Bonds	11,966,000	23,000,000	
Capital Construction Surplus		1,678,000	1,526,000
Investment Income		14,556,000	13,166,500
Surplus Bond Proceeds	197,000	5,291,500	1,000,000
TOTAL FUNDS	43,331,700	11,359,244,900	11,392,243,000

The above capital projects are directly funded in Part I of this Act. The above Budget Reserve Trust Fund is directly funded in Part III of this Act.

PART II

CAPITAL PROJECTS BUDGET

All appropriations to existing line-item capital construction projects expire on June 30, 1992, unless reauthorized in this act with the following exceptions: (1) a construction contract for the project shall have been awarded by June 30, 1992; (2) permanent financing shall have been obtained in the case of projects authorized for bonds; or (3) grant or loan agreements, if applicable, have been finalized and properly signed by all necessary parties. Purchases of major items of equipment require reauthorization if a purchase order has not been executed by June 30, 1992.

Moneys in the Capital Construction Fund are appropriated for the following capital projects. Items listed without appropriated amounts are previously authorized for which no additional amount is required. These items are listed in order to continue their current authorization into the 1992-94 biennium.

A. ECONOMIC DEVELOPMENT

Budget Unit	1992-93	1993-94
1. Community Economic Development Projects		
Bond Fund	8,000,000	12,500,000
Surplus Bond Proceeds		1,000,000

Restricted Funds	2,000,000	
Total	10,000,000	13,500,000

Included in the above appropriation are the following projects: Northern Kentucky Convention Center - $1,000,000 Surplus Bond Proceeds-Fiscal Year 1993-94; Louisville Waterfront Development - $12,500,000 Bond Fund-Fiscal Year 1993-94; Regional Special Events Center at Murray-Reauthorization, $8,000,000 additional Bond Fund-Fiscal Year 1992-93, and $2,000,000 Restricted Funds-Fiscal Year 1992-93.

2. Economic Development Projects

a. Economic Development Bond Pool-Reauthorization

Bond Fund Additional		15,000,000
Surplus Bond Proceeds	2,267,000	

b. Martin's Fork Lake, Harlan County-Reauthorization

c. Star Theatre, Russell Springs-Reauthorization

d. Kentucky River Park Projects-Reauthorization

e. Meade County Rip-Rap Project-Reauthorization

f. Ludlow Sunken Barge Removal and Waterfront Development-Reauthorization

g. Tucker-Guthrie Airport, Harlan County Reauthorization

Notwithstanding KRS 152.052(6) the amounts shown above reflect project amounts.

B. EDUCATION

Budget Unit	1992-93	1993-94
1. Department of Education		
a. Kentucky School for the Blind - Dormitory Reauthorization		
b. FFA Leadership Training Center - Auditorium and Facility Enhancement-Reauthorization		
Bond Fund Additional	250,000	
c. Miscellaneous Maintenance Pool		
Investment Income	150,000	165,000
d. Local District Facilities Survey		
General Fund		300,000

C. EDUCATION AND HUMANITIES

Budget Unit	1992-93	1993-94
1. School Facilities Construction Commission-Reauthorization		
Bond Fund Additional	15,000,000	15,000,000
2. Kentucky Historical Society		
a. Kentucky Historical Society Preservation Center-Reauthorization		

D. FINANCE AND ADMINISTRATION

Budget Unit	1992-93	1993-94
1. General Administration		
a. Kentucky Infrastructure Authority - Wastewater Revolving Loan and Grant Fund-Reauthorization		
Federal Funds	54,092,800	46,782,200
Bond Fund Additional	685,600	9,356,500
Total	54,778,400	56,138,700
b. Kentucky Infrastructure Authority - Fund B Loans Reauthorization		
Bond Fund Additional	20,000,000*	
c. Kentucky Infrastructure Authority -Infrastructure Development Grants		
General Fund	4,516,200	10,667,900

The above appropriations represent estimates of coal severance tax receipts to be appropriated through the Kentucky Infrastructure Authority for economic development/ infrastructure grants to coal producing counties. These estimates reflect, for fiscal year 1993, the amount attributable to three (3) percent of the coal severance tax receipts and, for fiscal year 1994, the amount of coal severance tax receipts attributable to six (6) percent of revenues. The specific allocation plan and allowable infrastructure criteria will be addressed in enabling legislation by the 1992 Regular Session of the General Assembly. In the event that actual receipts differ from the estimated appropriations embodied above, the amounts to be appropriated and disbursed will be adjusted accordingly.

d. Solid Waste Revolving Loan and Grant Fund Reauthorization

*Bonds cannot be issued prior to January 1, 1993.

2. Department for Administration

For the major equipment purchases displayed in this section as restricted funds supported projects, it is anticipated that these funds shall be transferred from the operating budget at such time as funds are available and needed.

Budget Unit	1992-93	1993-94
a. High Volume Duplicator with Finishing		
Restricted Funds	162,000	
b. High Volume Production Publisher		
Restricted Funds	295,000	
3. Department for Facilities Management		
a. Emergency Repair, Maintenance and Replacement Fund		
Investment Income	1,500,000	2,050,000
b. Capital Construction and Equipment Purchase Contingency Fund		
Investment Income	1,500,000	500,000
c. Miscellaneous Projects		
Investment Income	700,000	700,000
d. Council of State Government Building-Reauthorization		

e.	Capitol Annex Roof Replacement		
	Surplus Bond Proceeds	450,000	
	Capital Construction Surplus	50,000	
f.	Capitol Annex - Relocation of Executive Agencies		
	Investment Income	721,000	141,000

4. Department for Information Systems

For the major equipment purchases displayed in this section as restricted funds supported projects, it is anticipated that these funds shall be transferred from the operating budget funds at such time as funds are available and needed.

a.	2 Disk Controllers @ $400,000 each		
	Restricted Funds	800,000	
b.	12 Disk Storage Devices @ $370,000 each		
	Restricted Funds	2,960,000	1,480,000
c.	3 Disk Storage Devices @ $310,000 each		
	Restricted Funds	930,000	
d.	2 Disk Controller Cache Upgrades @ $370,000 each		
	Restricted Funds	740,000	
e.	2 Disk Controller Cache Upgrades @ $190,000 each		
	Restricted Funds		380,000
f.	2 Telecommunications Controllers @ $610,000 each		
	Restricted Funds	610,000	610,000
g.	Processor Complex Upgrade		
	Restricted Funds		5,990,000
h.	2 Tape Library Systems @ $730,000 each		
	Restricted Funds		1,460,000
i.	Fiber Channel Director Subsystem		
	Restricted Funds	730,000	
j.	6 Fiber Optic Connectors @ $80,000 each		
	Restricted Funds	320,000	160,000
k.	Database Coprocessor		
	Restricted Funds		310,000
l.	2 Client/Server Coprocessors @ $310,000 each		
	Restricted Funds	310,000	310,000

m. Laser Printer Complex		
Restricted Funds	250,000	
n. Text Delivery System Upgrade		
Restricted Funds	310,000	
o. Optical Disk Server		
Restricted Funds	1,210,000	
p. Solid State Storage		
Restricted Funds	120,000	
q. Vector Mathematics Coprocessor		
Restricted Funds		240,000
r. Micrographics Replacement Reauthorization		

E. GOVERNMENT OPERATIONS

Budget Unit	1992-93	1993-94
1. Secretary of State		
a. Computer Upgrade-Reauthorization		
Capital Construction Surplus Additional	49,000	
2. Department of Agriculture		
a. Airplane Engine		
Capital Construction Surplus		61,000
3. State Board of Elections		
a. Computer Upgrade-Reauthorization		
Capital Construction Surplus Additional	34,000	
4. Department of Military Affairs		
a. Miscellaneous Maintenance		
Investment Income	900,000	900,000
Federal Funds	151,000	137,000
Total	1,051,000	1,037,000
b. Helicopter Maintenance and Repair		
Investment Income	235,000	265,000
c. National Guard Armory - Benton-Reauthorization		
d. Shelbyville Co C 3rd BN 123d Armory-Reauthorization		

e. Airport Sideslope Excavation		
Capital Construction Surplus	17,000	
Federal Funds	302,000	
Total	319,000	
5. Department of Personnel		
a. IBM AS/400 Computer		
Federal Funds	25,000	15,000
6. Kentucky Retirement Systems		
a. IBM AS/400 Computer		
Restricted Funds	80,800	80,800

F. HIGHER EDUCATION

Budget Unit	1992-93	1993-94
1. Kentucky Higher Education Assistance Authority		
a. Computer Processor		
Restricted Funds	507,000	
b. Autodialing Equipment		
Restricted Funds	206,000	
2. Council on Higher Education		
a. Life Safety Projects Bond Pool		
Bond Fund	10,000,000	
b. University Restricted Funds Bond Projects Pool		
Agency Bonds	23,000,000	
3. Eastern Kentucky University		
a. E&G Life/Safety Projects		
Restricted Funds	2,000,000	
b. Air Conditioning (6 Residence Halls)		
Restricted Funds	1,500,000	
c. Minor Projects		
Restricted Funds	3,222,000	4,776,000
d. Fire/Life Safety - Auxiliary Services Reauthorization		
e. Parking Garage		
Restricted Funds	5,000,000	

f. Heat Plant Boiler		
Restricted Funds	400,000	
g. Utility Upgrade		
Restricted Funds	400,000	
h. Fire Science Building Reauthorization		
Restricted Funds Additional	480,600	
i. Property Acquisitions		
Restricted Funds	1,500,000	
4. Kentucky State University		
a. Bradford Hall and Academic Services Building - Life Safety		
Restricted Funds	294,000	
b. Deferred Maintenance Pool		
Restricted Funds	706,000	
c. Hume Hall HVAC Repair/Roof Structure Replacement		
Restricted Funds	600,000	
d. Student Center - Renovate Mechanical System		
Restricted Funds	2,208,000	
e. Jordan Maintenance Complex Addition		
Restricted Funds	1,250,000	
f. Kain Ford Property-Reauthorization		
g. Aquaculture Program Facility-Reauthorization		
h. Athletic Facility Exterior Renovation		
Restricted Funds	350,000	
i. Aquaculture Research Facility at Land Between the Lakes		
Federal Funds	300,000	
j. Aquaculture Pond Additions - Frankfort		
Federal Funds	500,000	
k. Campus Roads/Walks/Landscaping		
Restricted Funds		600,000
5. Morehead State University		
a. Fire/Life Safety E&G Projects		
Restricted Funds	1,100,000	

b. Lappin Hall Renovation, Phase II-Additional		
Restricted Funds	4,500,000	
c. Protect Investment in E&G Facilities		
Restricted Funds	825,000	
d. Highway 60 Bypass Construction Impact		
Restricted Funds	4,000,000	
e. E&G Facilities - Mechanical/HVAC Repairs		
Restricted Funds	2,805,000	
f. Sanitary Sewer Replacement		
Restricted Funds	500,000	
g. Land Acquisition Related to Campus Master Plan		
Restricted Funds	1,000,000	
h. Construction of Plant Facilities Phase I		
Restricted Funds	300,000	
i. New Student Housing (Built-to-Suit Lease)		
j. Campus Landscaping/Street Realignments/Improvements		
Restricted Funds		240,000
6. Murray State University		
a. Fire/Life Safety E&G Facilities		
Restricted Funds	1,401,000	
b. Blackburn Science Renovation - Life Safety		
Restricted Funds	10,800,000	
c. E&G Facilities Roof Replacements		
Restricted Funds	500,000	
d. Exposition Center Renovation		
Restricted Funds	500,000	
e. E&G Minor Projects HVAC/Mechanical		
Restricted Funds	177,000	618,000
f. Old Fine Arts Renovation-Reauthorization		
g. Breathitt Veterinary Center HVAC Replacement Reauthorization		
h. Underground Steam Condensate Lines Replacement-Reauthorization		
i. Minor Projects Pool (E&G)		
Restricted Funds	877,000	813,000

j. Minor Projects Pool (H&D)		
Restricted Funds	500,000	496,000
k. Business Interactive TV Center		
Restricted Funds	300,000	
l. Business Building-First Floor Renovation		
Restricted Funds	200,000	
m. Winslow Cafeteria Renovation-Reauthorization		
Restricted Funds Additional	32,000	
n. Stewart Stadium Artificial Turf Replacement Reauthorization		
Restricted Funds Additional	50,000	
o. BSA Museum Renovation, Phase III-Reauthorization		
p. Exposition Center Roof Replacement-Reauthorization		
7. Northern Kentucky University		
a. Ceramics/Sculpture Building - Life Safety		
Restricted Funds		1,500,000
b. E&G Facilities Roof Replacements (4)		
Restricted Funds	600,000	
c. Minor E&G Projects Pool		
Restricted Funds	600,000	
d. Nunn Hall Chiller Replacement		
Restricted Funds	250,000	
e. Land Acquisition		
Restricted Funds		1,500,000
f. Residential Village - Lease/Purchase		
Restricted Funds	351,000	1,120,000
8. University of Kentucky - University System		
a. Cooling Plants Repair/Replacement - Phase I		
Agency Bonds		
(1991-92—$3,600,000)		
b. Residence Halls Renovation		
Agency Bonds		
(1991-92—$2,866,000)		

c.	Medical Research Expansion Space		
	Agency Bonds		
	(1991-92—$5,500,000)		
d.	Life Safety/Environmental Health/Handicapped Access		
	Restricted Funds	18,166,000	
e.	Hazardous Materials Facility - Life Safety		
	Restricted Funds	1,600,000	
f.	E&G Facilities Roof Replacements		
	Restricted Funds	1,888,000	
g.	E&G Facilities Deferred Maintenance Pool		
	Restricted Funds	5,720,000	
h.	Cooling Plant #1 Primary Pumping		
	Restricted Funds	600,000	
i.	Connection of Cooling #1 and #3		
	Restricted Funds	290,000	
j.	Cooling Plant #1 Expansion		
	Restricted Funds	7,000,000	
k.	Electrical Substation #1 Switching		
	Restricted Funds	500,000	
l.	4KV to 12KV Electrical Conversion		
	Restricted Funds	1,500,000	
m.	Lease - Rural Health Initiative		
	Restricted Funds	260,000	273,000
n.	Commonwealth Library at the University of Kentucky - Phase I		
	Restricted Funds	12,000,000	
o.	Patterson Office Tower Elevators Renovation Phase II		
	Restricted Funds	800,000	
p.	Accreditation Requirements - Architecture		
	Restricted Funds	7,100,000	
q.	Renovation of Historic Buildings		
	Restricted Funds	11,540,000	
r.	Memorial Coliseum Renovation		
	Restricted Funds	1,750,000	

s.	King Alumni Building Renovation		
	Restricted Funds	283,000	
t.	Shively Renovation		
	Restricted Funds	1,400,000	
u.	AG Science Building South - ACF Upgrade		
	Restricted Funds	700,000	
v.	Communications Disorders Program Space		
	Restricted Funds	400,000	
w.	Agriculture Chilled Water Main		
	Restricted Funds	850,000	
x.	Limestone Chilled Water Main		
	Restricted Funds		1,100,000
y.	Steam Line Expansion Rose Street		
	Restricted Funds		600,000
z.	North Campus Chilled Water Main		
	Restricted Funds		2,000,000
aa.	Energy Conservation Medical Center		
	Restricted Funds		500,000
bb.	Pesticide Preparation/Storage Building - Caldwell County-Reauthorization		
	Restricted Funds Additional	221,000	
cc.	Tennis Stadium		
	Restricted Funds	1,576,000	
dd.	Pesticide Preparation/Storage Building - Fayette County-Reauthorization		
	Restricted Funds Additional	221,000	
ee.	Career Planning and Placement Center-Reauthorization		
	Restricted Funds Additional	605,000	
ff.	Development Addition		
	Restricted Funds	465,000	
gg.	Plaza Orthopedics Renovation-Reauthorization		
	Restricted Funds Additional	750,000	
hh.	Plaza General Medicine Renovation-Reauthorization		
	Restricted Funds Additional	400,000	

ii.	Life Safety/Environmental Health/Handicapped Access - H&D		
	Restricted Funds	353,000	
jj.	Life Safety/Environmental Health/Handicapped Access - Fraternities/Sororities		
	Restricted Funds	600,000	
kk.	Keeneland Hall Windows Replacement		
	Restricted Funds	208,000	
ll.	Parking Structure-Reauthorization		
mm.	Land Acquisition-Reauthorization		
nn.	Fraternity and Sorority Renovation - Reauthorization		
oo.	Scovell Hall Renovation-Reauthorization		
pp.	Reynolds Warehouse #1-Reauthorization		
qq.	Coldstream Research Campus-Infrastructure Phase-I		
	Restricted Funds	407,000	818,300
rr.	Leased Space - College of Pharmacy		
	Restricted Funds	130,000	275,000
9.	University of Kentucky - Community College System		
a.	Life Safety/Environmental Health/Handicapped Access		
	Restricted Funds	3,310,000	
b.	Paducah - Carson Hall Renovation		
	Restricted Funds		2,300,000
c.	Paducah - Crisp Building Renovation		
	Restricted Funds	500,000	
d.	Ashland - Classroom Building		
	Capital Construction Surplus	310,000	
e.	Hazard - Student/Performing Arts/Conference Center		
	Capital Construction Surplus	750,000	
f.	Jefferson Downtown - Broadway Building 1st Floor Renovation		
	Restricted Funds	260,000	
g.	Lexington - Oswald Building Roof Replacement		
	Restricted Funds	465,000	
h.	Paducah - Waller/Rosenthal Renovation		
	Restricted Funds	435,000	

i.	Southeast - Newman Hall Renovation		
	Restricted Funds	400,000	
j.	Maysville - Administration Building Renovation		
	Restricted Funds		400,000
k.	Madisonville - Renovation of LRC Area		
	Restricted Funds		300,000
l.	Henderson - Administration Building Renovation		
	Restricted Funds		400,000
m.	Madisonville - Student/Auditorium Parking		
	Restricted Funds	520,000	
n.	Lexington Community College - Leased Space		
	Restricted Funds	270,000	270,000
10.	University of Kentucky - Hospital		
a.	Endoscopy Suite Renovation		
	Restricted Funds	1,200,000	
b.	Diagnostic Services III-Reauthorization		
c.	Incinerator Replacement		
	Restricted Funds	1,600,000	
d.	Primary Power/Emergency Power Replacement Reauthorization		
	Restricted Funds Additional	300,000	
e.	Nursing Unit Modification IV		
	Restricted Funds		550,000
f.	Transportation Systems Renovation I		
	Restricted Funds	500,000	
g.	Cardiac Catheterization Renovation		
	Restricted Funds	2,100,000	
h.	Nuclear Medicine Renovation		
	Restricted Funds	1,600,000	
i.	Radiation Medicine Renovation		
	Restricted Funds	2,100,000	
j.	Data Management Upgrade		
	Restricted Funds		220,000

k.	Diagnostic Services Upgrade V		
	Restricted Funds		650,000
l.	Building and Site Upgrade I		
	Restricted Funds		430,000
m.	Materials Handling/Storage/Distribution Facility		
	Restricted Funds	800,000	
n.	Outpatient Screening Facility I		
	Restricted Funds		1,600,000
o.	Implement Land Use Plan/Land Acquisition		
	Restricted Funds	2,100,000	
p.	Housestaff On-call Quarters Renovation		
	Restricted Funds	600,000	
11.	University of Louisville		
a.	"K" Building - Life Safety (Phase I)		
	Restricted Funds	2,552,000	
b.	Chemistry Building Ventilation System - Life Safety		
	Restricted Funds	249,000	
c.	Life Safety/Accessibility and Code Compliance		
	Restricted Funds		9,877,000
d.	Natural Sciences (Rebuild Parapet Walls)		
	Restricted Funds	440,000	
e.	Roof Replacements Buildings #55A and #55C		
	Restricted Funds	550,000	
f.	"K" Building - Renovation (Phase II)		
	Restricted Funds	4,825,000	
g.	Steam and Chilled Water Plant Renovation		
	Restricted Funds	3,848,000	
h.	Land/Building Acquisition (HSC)		
	Restricted Funds	3,973,000	
i.	Purchase Property for Support Services/Parking		
	Restricted Funds	1,535,000	
j.	University Park - Field House		
	Restricted Funds	11,279,000	

k.	University Club Courtyard Enclosure		
	Restricted Funds	446,000	
l.	Student Health/Counseling Building Renovation		
	Restricted Funds	354,000	
m.	Sherman Apartments Demolition and Parking		
	Restricted Funds	363,000	
n.	Carmichael Building Renovation		
	Restricted Funds		2,300,000
o.	University Park - Soccer and Field Hockey Stadium		
	Restricted Funds		1,860,000
p.	University Park - Natatorium		
	Restricted Funds	11,878,000	
q.	Information Center (East)		
	Restricted Funds		274,000
12.	Western Kentucky University		
a.	Life Safety Projects E&G		
	Restricted Funds	500,000	
b.	Elevator Repairs/Renovations - Life Safety		
	Restricted Funds	200,000	
c.	Milking Parlor Facility		
	Restricted Funds	420,000	
d.	Roof Replacements		
	Restricted Funds	202,000	
e.	Exterior Renovations - E&G Buildings		
	Restricted Funds		600,000
f.	Renovation of Academic Complex		
	Restricted Funds		1,000,000
g.	Academic Athletic Building #2 Renovation		
	Restricted Funds		1,500,000
h.	E&G Facilities - Repair/Replace Mechanical Systems		
	Restricted Funds	855,000	
i.	Repair Underground Electrical Systems		
	Restricted Funds	120,000	

j.	Property Acquisition		
	Restricted Funds	800,000	
k.	Intramural/Recreation Fields Improvements		
	Restricted Funds		350,000
l.	Repair/Replacement of Walks, Parking Lots		
	Restricted Funds	250,000	
m.	Exterior Renovations - H&D Buildings		
	Restricted Funds		230,000
n.	Cherry Hall Building #1 Exterior Renovation		
	Restricted Funds		550,000

EQUIPMENT LISTING

13. Eastern Kentucky University

Funding for the following Eastern Kentucky University equipment purchases will be from restricted funds.

a.	Connectivity	1,500,000
b.	Bus	250,000
c.	Accounting & Payroll System Upgrade	250,000
d.	Transmitter WEKU FM	95,000
e.	Uninterruptable Power Supply	100,000
f.	Environmental Control System	50,000
g.	Laser Graphics Projector	80,000
h.	Carbon Dioxide Laser	94,000
i.	X-Ray Fluorescence Unit	150,000
j.	Fourier Transformer Spectrometer	135,000

14. Morehead State University

Funding for the following Morehead State University equipment purchases will be from restricted funds.

a.	Computer Integrated Manufacturing	125,000
b.	Software & Hardware Update CAD/CAM	64,000
c.	CD ROM Towers and Software	65,000
d.	Library LS/2000 Automation Enhancement	110,000
e.	Research/Cytogenetics Microscope	70,000
f.	Electrical Training Instructional Equipment	80,000
g.	Diode Array/Liquid Chromatograph	65,000

h.	Psychoneurological Evaluation Equipment	55,000	
i.	Education Technology Laboratory Equipment	51,000	
j.	Microbial Identification System	70,000	
k.	Automated Library Service System		71,000
l.	Paint Spraying Robot		80,000
m.	Physical Sciences Microscope		100,000
n.	High-Eff & Purity Gamma Spectrometer		80,000
o.	Materials Testing Unit		90,000
p.	Interactive Distance Learning Equipment	1,500,000	
q.	Academic System Upgrade	240,000	
r.	Microcomputers	1,200,000	
s.	Facility Mngt./CAD Computer Equipment	60,000	
t.	Administrative System Conversion	95,000	
u.	Video Network	1,950,000	
v.	High Speed Laser Printer	92,000	
w.	Printing Equipment	640,000	
x.	Bulldozer	60,000	
y.	Tour Bus	200,000	
z.	Tour Bus	330,000	
aa.	Motor Generator System		94,000
bb.	Optical Scanning System		55,000
cc.	Garbage Packer Truck		55,000
dd.	Network Server	480,000	

15. Murray State University

Funding for the following Murray State University equipment purchases will be from restricted funds.

a.	High Rise Fire Equipment (Truck) - Life Safety	600,000	
b.	Telelearning Network	436,000	
c.	Electrophoresis System	50,000	
d.	Automated Susceptibility System	70,000	
e.	Electron Microscope (transmission)	175,000	
f.	Library Online System Mini-Computer	286,000	
g.	Front End Loader	60,000	
h.	Farm Tractors		51,000

i.	TV Studio Equipment Replacement		61,000
j.	Recording/Playback Lab, Etc.		165,000

16. Northern Kentucky University

Funding for the following Northern Kentucky University equipment purchases will be from restricted funds.

a.	Ultracentrifuge	56,000	
b.	High Speed Copier/Finisher	180,000	
c.	Point-of-Sale System	26,000	26,000
d.	Direct Access Storage Device	310,000	
e.	Magnetic Tape Drives	280,000	
f.	Data Communications/Voice Mail	59,000	59,000
g.	Laser Printer	80,000	
h.	ID Card Management System	80,000	

17. University of Kentucky - Main Campus

Funding for the following University of Kentucky equipment purchases will be from restricted funds.

-	High Volume Copier	146,000
-	Ultracentrifuge with Rotor Heads	80,000
-	Hybrid 400 AMU MS/MS Module	200,000
-	Induct. Coupled Plasma Mass Spectrometer	300,000
-	High Resolution Mass Spectrometer	776,000
-	Thermospray Extended Mass Range	175,000
-	Shallow Auger & Core Drill Rig	100,000
-	Oxidizer/Scintillation Spectrometer	55,000
-	LS/MS Cesium Ion Gun Source	50,000
-	Mass Spectrometry	375,000
-	Series 2 Bridgeport Vertical Mill	75,000
-	SD/FI Mass Spectrometer Upgrade	90,000
-	Isotope Mass Spectrometer	285,000
-	Lighting System	237,000
-	Concept 4 Sector Expansion Module	450,000
-	Mossbaver Spectrometer	75,000
-	Cell Culture Transformation Unit	80,000
-	Console Upgrade	50,000

-	Laser-Based Adv. Proc./Mat. Analyz.	154,000
-	Compton Supressed Germanium Detect.	80,000
-	Concept Hybrid 2000 AMU MS/MS Mod.	160,000
-	IN-SITU X-Ray Diffraction	175,000
-	Automated Microinjection System	96,000
-	Thermospray	65,000
-	Gas Chromatograph/Mass Spectrometer	65,000
-	Betascope 603 Blot Analyzer System	79,000
-	Optical Fiber	60,000
-	Image Analysis System	75,000
-	Ultramicrotome/Accessories	55,000
-	Circular Dechroism	125,000
-	AXS Automatic X-Ray Spectrometer	100,000
-	Recording Studio Equipment	127,000
-	Fourier TI Spectrometer	70,000
-	X-Ray Powder Diffractometer System	190,000
-	Automated DNA Analysis System	98,000
-	Dual Beam Spectrofluorometer	55,000
-	Scanning Electron Microscope	146,000
-	Vibrating Sample Magnetometer	110,000
-	IR Spectrometer	100,000
-	X-Ray Fluorescence System	175,000
-	Prep HS Centrifuge with Rotors	70,000
-	Cadmium Telluride Spectrometer	60,000
-	Marquee	100,000
-	Cell Sorter (M&I)	202,000
-	Atomic Absorption Spectrophotometer	75,000
-	High Pressure Liquid Chromatograph	51,000
-	Gas Chromatograph Mass Spectrometer	60,000
-	Cryolathe	51,000
-	Log Skidder	70,000
-	Biochemical Counter	51,000
-	Envir. controlled cooker/processor	60,000

- Imaging System for MRISC	56,000	
- X-ray Laue Unit-Single Crystal	150,000	
- Pathology Microscope		80,000
- Ultracentrifuge and Rotors	55,000	
- Dental Laser System	60,000	
- Vision System	53,000	
- Audiology Diagnostic System	55,000	
- Dual Oven Capillary Gas Chromatograph	65,000	
- EMG Physiology Workstation	50,000	
- Betascope Blot Analyzer	59,000	
- Mass Spectrophotometer	66,000	
- High Temp. Optical Microscope	105,000	
- Metabolic Cart w/Canopy	55,000	
- Photo Light Microscope	50,000	
- Diag. Imaging Physic Training Sys.	61,000	
- Mass Spectrophotometer	60,000	
- I30 Biomechanical System	66,000	
- On-Line Monitor-Radioactiv. GC-HPLC	51,000	
- Ultracentrifuge	55,000	
- Jointed Arm Robot & Control System	67,000	
- Gas Chron. & Nitrogen Phosphorus Dt	56,000	
- Auto. Hematology System, Coulter Jr	85,000	
- Whole Body Composition Analyzer	136,000	
- 20 W Ar-Ion Laser	65,000	
- Laser Extensometer 3000 & access.	55,000	
- Emergency Response Communic. System	550,000	
- Instructional Computer Upgrade	400,000	
- Department Computer Systems	950,000	75,000
- Imaging Systems	300,000	150,000
- Printing Systems and Services	203,000	
- Satellite Digital Video	52,000	
- Routing Switcher	51,000	
- Postal Sorting Equipment	300,000	

-	Minicomputer Upgrade		125,000	
-	VMX Upgrade		185,000	
-	Storage Management System		800,000	500,000
-	Sun 3/60 Upgrade		125,000	
-	High Volume - Lease		27,000	27,000
-	Printing Systems			200,000
-	Holographic System w/Image Analyzer		110,000	
-	Contrl. Atmosphere Sintering Furn.		60,000	
-	40 Ton Testing Machine		77,000	
-	CD Rom System for Agriculture		60,000	
-	Interactive Info System for Ag		70,000	
-	NSF Fileserver for Arts & Sciences		150,000	
-	Dept Computer Upgrade for A&S		225,000	
-	DEC Server for Arts and Sciences		70,000	
-	Network Upgrade for Arts & Sciences		60,000	
-	Research Dept Processor for Engr		125,000	
-	CD - ROM Servers for Engineering		120,000	
-	Research Workstations for Engr.		325,000	
-	Optical Disk Server for Engineering		180,000	
-	Dept Processor Auxiliary Services		63,000	
-	Optical Disk Jukebox System		180,000	
-	Large Format Color Scanner		60,000	
-	Increase Disk Drive Capacity		80,000	
-	CAD/CAM System for Coll. of Dent.	184,000		
-	Steam Autoclave & Cart			86,000
-	UV/Visible Spectrophotometer			65,000
-	Ethelene Oxide Sterilizer			98,000
-	Mild.-Temp. Carbon Syn. Reactor			130,000
-	Centrifuge			51,000
-	Research Computing Upgrade			650,000
-	Front End Processor			300,000
-	Satellite Transmitter			175,000
-	Campus Prepress Fileserver			140,000

-	Digital Video Switcher		60,000
-	Copier Upgrade for King South		80,000
-	Plotter for Engineering		50,000
-	Dept. Processor for Engineering		100,000
-	Dept. Processor for Student Affairs		50,000
-	Telephone Registration Processor		85,000
-	Optical Disk Record Storage		60,000
-	Dept. Processor for Extension		200,000
-	Image Workstations & Printers		90,000
-	Minicomputer Upgrade		500,000
-	Telecommunications Processors		100,000
-	Minicomputer System		150,000
-	VAX Computer for Coll. of Pharmacy	150,000	
-	VAX Workstations for Coll. of Pharm	100,000	
-	Super Minicomputer	1,040,000	
-	Compressed Video (Hazard)	125,000	
-	Compressed Video (Morehead)	125,000	
-	Compressed Video (Bowling Green)	50,000	
-	Protein Sequencer - Mol. Bio. & Bio	76,000	
-	Peptide Synthesizer	61,000	
-	DNA Sequencer	191,000	
-	Fermentation Apparatus (200L)		201,000
-	Amino Acid Analyzer		100,000
-	Ultracentrifuge	60,000	
-	Ultracentrifuge w/Rotor		120,000
-	DNA Synthesizer	71,000	

18. University of Kentucky - Community College System

Funding for the following University of Kentucky Community College System equipment purchases will be from restricted funds.

a.	Upgrade AS-400 Minicomputer	125,000	
b.	Minicomputer		200,000
c.	Minicomputer	200,000	
d.	Minicomputer		200,000

e.	Communication System	95,000
f.	Communication System	95,000

19. University of Kentucky - Hospital

Funding for the following University of Kentucky - Hospital equipment purchases will be from restricted funds.

a.	Cardiac Laser	250,000
b.	Multi-phasic Chemistry Analyzer	250,000
c.	Endoscopic Ultrasound	300,000
d.	Electrophysiology Lab	450,000
e.	Portable Fluoroscopy	150,000
f.	Fluoroscopic Unit	550,000
g.	Echo Unit	200,000
h.	Neurology EMG EEG Analyzer	175,000
i.	Holter System	100,000
j.	CT Scanner	1,600,000
k.	Disk Upgrade	950,000
l.	Materials Management System	400,000
m.	Time & Attendance Record	320,000
n.	Upgrade Tele-communications Cabling	700,000
o.	Tape Upgrade	300,000
p.	Printing Capacity Upgrade	440,000
q.	Expand Decision Support	500,000
r.	Automated Urinalysis System	200,000
s.	Nuclear Medicine Camera	300,000
t.	Ultrasound Scanner	320,000
u.	Intravascular Ultrasound	150,000
v.	Surgical Laser	200,000
w.	Surgical Microscope	150,000
x.	Radiographic Unit	330,000
y.	Hematology Analyzer	300,000
z.	Automated Microbiology System	150,000
aa.	Radiographic Generator	200,000
bb.	Heart Station	100,000

cc.	Vascular Ultrasound	400,000	
dd.	Treatment Planning System	780,000	
ee.	ransesophageal Color Echo Doppler	200,000	
ff.	Diagnostic Radiology Unit	250,000	
gg.	Toxicology Analyzer	100,000	
hh.	Radiology Film Processing Unit	160,000	
ii.	Pharmaceutical Auto Dispensing Unit	200,000	
jj.	Cobalt Unit	470,000	
kk.	Aeromedical Helicopter	1,500,000	
ll.	Ambulance-Emerg. Transport Vehicle	120,000	
mm.	Automated Cytogenetic System	120,000	
nn.	OB Diagnostic System		300,000
oo.	Neurologic Diagnostic Equipment		200,000
pp.	Radiographic Unit		250,000
qq.	Diagnostic Ultrasound		250,000
rr.	Vascular Diagnostic Equipment		200,000
ss.	Surgical Microscope		150,000
tt.	Endoscopic Ultrasound		250,000
uu.	Multiphasic Chemistry Analyzer		200,000
vv.	Emergency Generator		400,000
ww.	Cardiac Echo System		300,000
xx.	Laboratory Automated Analyzer		200,000
yy.	Fluoroscopic Unit		700,000
zz.	Disk Upgrade		550,000
aaa.	Mass Storage Device		300,000
bbb.	Nursing Information Systems Expan.		500,000
ccc.	Expand Decision Support		500,000
ddd.	Upgrade Tele- communications Cabling		300,000
eee.	Tape Capacity Upgrade		100,000
fff.	Patient Collection System		170,000
ggg.	Nuclear Medicine Camera		480,000
hhh.	Endoscopic System		100,000
iii.	Hematology Analyzer		300,000

jjj.	Automated Microbiology System		200,000
kkk.	Toxicology Analyzer		150,000
lll.	Hyperbaric Chamber		150,000
mmm.	Hyperthermia Unit		250,000
nnn.	Incinerator Upgrade		250,000
ooo.	3-D Imaging System		300,000

20. University of Louisville

Funding for the following University of Louisville equipment purchases will be from restricted funds, except as indicated.

-	Color Imaging System	150,000	100,000
-	Laser Printer for Engineering	60,000	
-	Vector Processor	425,000	425,000
-	Uninterruptable Power Source	220,000	
-	Digital Microwave Data Links	125,000	
-	Specialized Central Processing Unit	500,000	
-	Mini Computer	130,000	
-	Array Processor	155,000	
-	Channel Upgrade for CPU	200,000	
-	New Radio System	290,000	
-	Central Alarm Monitoring System	70,500	
-	Auto. Reporting/ Information Manage.	60,000	
-	Closed Circuit TV Security System	64,500	
-	Voice Response System	130,000	
-	Ultra-High Vacuum System	95,000	
-	Computer (Appointment/Registration)	750,000	
-	Athletic Team Bus	200,000	
-	Scoreboard	150,000	
-	Pulsed YAG Laser	100,000	
-	Fourier Transform Infrared/Raman Sp (Federal Funds, $92,500)	185,000	
-	FM Transmission (Federal Funds, $42,800)	85,500	
-	Engineering/Scientific Processor Up	600,000	
-	Two-color Press		300,000

-	Digital Communication Network	400,000
-	High Speed Duplicators	250,000
-	Color Copier/Printer	125,000
-	Ultracentrifuge	65,000
-	Auto. B-isotope Radiation Detection	80,000
-	ABI Oligonucleotide Synthesizer	52,000
-	Liquid Chromato./ Mass Spectro./Sys.	260,000
-	Fluorescent Micro. & Photo. System	51,300
-	Superconducting NMR Magnet	162,600
-	CHN Analyzer/Auto Atomic Absorption	70,000
-	Laser Raman Spectrometer (Federal Funds, $90,000)	180,000
-	Capillary Electrophoresis	80,000
-	Electron Paramagnetic Resonance Sp. (Federal Funds, $102,500)	205,000
-	RISC-based Graphics Workstation	150,000
-	Axial Torsional Tester	185,000
-	Water Cooling Tower System	50,000
-	2D Laser Upgrade	74,000
-	CNC Grinding Machine	159,000
-	Capillary Electrophoresis System	53,000
-	Nucleotide Synthesizer	50,000
-	Clinical/Research Sampling Unit	80,000
-	Hematology Analyzer	68,500
-	Mid-Range Computer System	200,000
-	Computer File Server	200,000
-	Voice Automation Enhancements	200,000
-	Mainframe Imaging System	100,000
-	Disk Storage Subsys. (& Controller)	500,000
-	Video Editing System	50,000
-	Satellite Uplink	150,000
-	Mainframe Memory	332,000
-	Mass Storage System	500,000
-	Confocal Microscope System	83,500

-	Confocal Microscope Unit		83,500
-	Peptide Sequencer		140,000
-	Utetic Microvascular Tracing System		51,900
-	Programmable Ultracentrifuge		68,300
-	Mobile Mammography Screening Van		250,000
-	X-Ray Diffractrometer Attachments		52,000
-	Environmental Chamber		105,000
-	Neural Network Simulator		100,000
-	Force Platform		60,000
-	Wide-bed Plotter		50,000
-	Spectrometer (UV and Visible)		50,000
-	File Server		150,000
-	High PAI-Workstation		132,000
-	High Performance Computational Ws		91,500
-	Parallel Computing System		154,000
-	Workst. for Superconductivity Study		71,000
-	Argon Ion Laser		71,500
	Teaching Grade NMR Spectrometer		111,100
-	High Resolution Mass Spectrometer		445,500
-	FTIR Spectrometer: System Update		78,100
-	Microwave Communications System		100,000
-	Studio Cyclorama		75,000
-	Four Tower Web Press		200,000
-	Telecommunications System		2,000,000
-	Mail Processing System		300,000
-	47 Passenger Highway Bus		200,000
-	Scanning Electron Microscope	290,000	
-	Confocal Microscope	160,000	
-	STM/ATM	100,000	
-	Mainframe Memory	332,000	
-	Disk Storage Subsys. (& Controller)	750,000	
-	Studio TV Cameras	300,000	
-	Routing Switcher	70,000	

Engineering/Scientific Processor Up	300,000
Perfect Binder	100,000
Two-color Press	300,000
Universal Testing Machine	277,500
Radiographic/ Fluoroscopic X-Ray	250,000
Interactive Laser Cytometer	325,000
Automatic Recording Spectrophoto.	84,000
High Pressure Liquid Chromatography	55,000
300 MHz NMR Spectrometer	246,000
Image Analysis/ Radioactive Imaging	93,500
Dual Channel Autoanalyzer	55,000
Fourier-Transform Infrared Spectro.	66,500
Automated DNA Sequencer	99,000
Absorption Packed Column Experiment	80,000
Multi-Channel FFT Analyzer	60,000
RISC-based Graphics Workstation	150,000
Materials Testing System	184,500
Stereolithography Machine	97,000
Mini Computer	118,100
Advanced HPLC/FPLC Chromatography	81,000
Cation Measurement System	85,000
3-D Optical Scan/ Restorative Dent.	53,500
Radiographic Imaging Unit	140,800
Digital Communication Network	250,000
Digital Effects Generator	50,000
Envelope Press	70,000
High Speed Duplicators	250,000
Codecs	210,000
High Volume Laser Printer System	400,000
Voice Mail System	200,000
Color Copier/Printer	125,000
Beta Editing System	120,000
Communications Processor	500,000

-	Mini Computer for HRM Spectrometer	60,000
-	Quantitative Fluorescence Spectro.	75,000
-	Laser Fluorimetric System	103,800
-	Intravital Microscopy Video Data	67,800
-	Remote Transcription Network	75,000
-	Animal Irradiator	154,000
-	Nucleic Acid Extractor	55,000
-	Datacube Image Analyzer	120,300
-	Tissue Culture Sterilization Equipment	56,000
-	Mammography Equipment	75,000
-	VSMC Performance Analyzer	126,700
-	Advanced Control Systems Experiment	60,000
-	Ultra-Fast Tuneable Dye Laser	250,000
-	Expert Vision System	100,000
-	Network Analyzer	50,000
-	Dielectrometry	52,900
-	Microwave Network Analyzer	350,000
-	Extruder	50,000
-	High Performance Liquid Chromato.	50,000
-	Scanning Tunnelling Microscope	140,000
-	Sub-Picosecond Streak Camera	186,000
-	Molecular Dynamics Software & Comp.	80,000
-	Tunnelling Electron Microscope	320,000
-	X-Ray Diffractometer	156,000
-	UV-Visible-Near IR Spectrophoto.	70,000
-	Computing Work. for X-Ray Facility	67,000
-	Graphic Design/ Typesetter Machine	71,500
-	Computer Graphics Output Device	100,000
-	Mid-Range Computer System	200,000
-	Computer File Server	200,000
-	Mainframe Imaging System	200,000
-	Ultracentrifuge	65,000
-	Data Collection Computer System	76,100

- Microvessel Image Processing System	205,000	
- Microvessel Diagnostic Test System	146,800	
- Liquid Scintillation Analysis Sys.	136,500	
- Nailford Analysis System	113,000	
- Liver Biopsy Analysis System	89,000	
- Photo-Optics Design System	297,000	
- Small Artery Reactivity Diagnostic	124,500	
- Small Vein Leakage Diagnostic Sys.	121,500	

21. Western Kentucky University

Funding for the following Western Kentucky University equipment purchases will be from restricted funds.

a. Shuttle Buses	125,000	125,000
b. Digital Videotape Recorders		195,000
c. Packer Truck		65,000
d. TV Transmission System Improvement	500,000	
e. Satellite Uplink	350,000	
f. Upgrade Computer Center Processor		105,300
g. Campus Data Communication Network	989,000	
h. Disk Controller	217,000	

G. HUMAN RESOURCES

Budget Unit	1992-93	1993-94
1. Administration and Program Support		
a. Miscellaneous Projects		
Investment Income	400,000	400,000
b. Human Services Construction Pool-Reauthorization		
2. Department for Health Services		
a. Environmental Monitoring System (Maxey Flats)		
Capital Construction Surplus	165,000	165,000
3. Department for Mental Health/Mental Retardation		
a. Miscellaneous Projects		
Investment Income	475,000	400,000
b. Hazelwood ICF/MR Replacement		
1. Renovation of Hazelwood Facility-Reauthorization		

2. Three 8-bed ICF/MR Facilities-Reauthorization		
3. Fifteen Non-Medical Group Homes-Reauthorization		
c. Central State - HVAC Renovation		
Bond Fund	649,000	

Bonds cannot be sold until after Janaury 1, 1993.

4. Department for Employment Services		
a. Unemployment Insurance Scanner		
Federal Funds	925,000	
5. Department for Social Services		
a. Miscellaneous Projects		
Investment Income	400,000	300,000
b. Cardinal Treatment Center Vocational Building-Reauthorization		
c. Central Kentucky Re-ed		
Bond Fund		2,018,000
d. The Workers Information System (TWIST)		
Federal Funds		1,800,000
6. Department for Social Insurance		
a. Automated Management Eligibility System		
Restricted Funds	122,000	
Federal Funds	122,000	
Total	244,000	

H. JUSTICE/CORRECTIONS

Budget Unit	1992-93	1993-94
1. Justice-Department of State Police		
a. Henderson Post Radio Tower		
Capital Construction Surplus	200,000	
b. Minor Projects Fund		
Investment Income	150,000	150,000
c. Communications Controller		
Restricted Funds	82,000	
d. Laboratory Information Management System		
Federal Funds	115,000	550,000

e. Laboratory Robotics System		
Federal Funds	150,000	150,000
f. Air FLIR Installation Kit		
Federal Funds	55,000	
g. Bulk Tank Removal/Replacement		
Capital Construction Surplus	200,000	
2. Corrections-Department for Adult Institutions		
a. *Kentucky State Reformatory-Renovation/Expansion of Dorm 10 (New Dorm 15)		
Bond Fund	395,000	5,222,000
b. Muhlenberg County Prison - Phase I		
Bond Fund Additional		
(1991-92—$6,600,000)		
c. Muhlenberg County Prison - Phase II (Design Only)		
Bond Fund		1,707,000
d. *Roederer Correctional Complex - New Kitchen Dining Room		
Bond Fund	214,000	2,415,000
e. *Northpoint Training Center - Steamline Repair/Replacement		
Bond Fund	1,222,000	
f. Kentucky State Reformatory - Roof Replacements		
Surplus Bond Proceeds	1,767,000	
g. Kentucky State Penitentiary - Roof Replacements		
Surplus Bond Proceeds	331,500	
h. Correctional Industries - Eastern Kentucky Correctional Complex - Metal Office Furniture Component Systems		
Restricted Funds	750,000	
i. Correctional Industries/Tractor Trailer		
Restricted Funds	95,000	
j. Correctional Industries/Hydraulic Sheer		
Restricted Funds	60,000	
k. Correctional Industries/Powder Coat Painting System - Kentucky State Reformatory		
Restricted Funds	150,000	
l. Correctional Industries/Unitized Tool System - Kentucky State Reformatory		
Restricted Funds	65,000	90,000

m. Correctional Industries - Kentucky State Penitentiary		
Restricted Funds	55,000	
n. Correctional Industries - Continuous Forms Press		
Restricted Funds	55,000	
o. Correctional Industries - Luther Luckett Correctional Complex		
Restricted Funds	60,000	
p. Miscellaneous Maintenance		
Investment Income	1,000,000	1,000,000
q. Blackburn Correctional Complex - New Sewage Treatment Plant-Reauthorization		
r. Eastern Kentucky Correctional Complex - Raw Water Line-Reauthorization		
s. Kentucky Correctional Institute for Women - Segregation Unit, Design Only (Change of Fund Source)		
Surplus Bond Proceeds (1991-92—$197,000)		
t. Kentucky State Reformatory - Construction of New Dormitory 14/Demolition of Dormitory 7 Reauthorization		

*Bond projects which have debt service supported by state General Fund appropriations are authorized in the first year of the biennium so that preliminary work on the projects may proceed. However, debt service has been included beginning in the second year. Therefore, the sale of these bonds cannot take place until after January 1, 1993.

I. LABOR

Budget Unit	1992-93	1993-94
1. Office of the Secretary		
a. Departmental Computer System		
Restricted Funds	468,000	
b. Computer Imaging System		
Restricted Funds	344,000	341,000

J. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

Budget Unit	1992-93	1993-94
1. Department for Environmental Protection		
a. Gas Chromatograph/Mass Spectrometers (2)		
Capital Construction Surplus	91,000	
Investment Income		91,000
b. Inductively Coupled Plasma Spectrometer		
Capital Construction Surplus	43,000	
Investment Income		43,000

c. Atomic Absorption Spectrometer		
Capital Construction Surplus	26,000	
Investment Income		26,000
d. High Performance Liquid Chromatograph		
Capital Construction Surplus	18,000	
Investment Income		18,000
e. State-Owned Dam Repair-Reauthorization		
Investment Income Additonal	1,000,000	500,000
f. Federally-Funded Leaking Underground Storage Tanks		
Restricted Funds	87,000	
Federal Funds	780,000	
Total	867,000	
g. Mobile Air Toxics Monitoring Laboratory		
Restricted Funds	211,000	
Federal Funds	211,000	
Total	422,000	
h. State-Funded Leaking Underground Storage Tanks		
Restricted Funds	500,000	500,000
i. Hazardous Waste Assessment Fund		
Restricted Funds	2,100,000	2,100,000

The Solid Waste Revolving Loan and Grant Fund is transferred to the Finance and Administration Cabinet-Kentucky Infrastructure Authority.

2. Department for Surface Mining Reclamation and Enforcement		
a. Kentucky Abandoned Mine Lands Reclamation Reauthorization		
Federal Funds Additional	16,500,000	16,000,000
3. Kentucky Nature Preserves Commission		
a. Nature Preserves Acquisition Fund-Reauthorization		
Restricted Funds Additional	61,100	
4. Kentucky River Authority		
a. Renovation of Kentucky River Locks and Dams 5 thru 14		
Federal Funds	9,500,000	

K. PUBLIC PROTECTION AND REGULATION

For the major equipment purchase displayed in this section as restricted funds or General Fund supported projects it is anticipated that these funds shall be transferred from the operating budget at such time as funds are available and needed. The total project cost shown does not reflect an addition to the operating budget appropriation.

Budget Unit	1992-93	1993-94
1. Department of Insurance		
a. Upgrade Computing System		
Restricted Funds	120,900	123,000

L. REVENUE

Budget Unit	1992-93	1993-94
1. Remittance Processing Equipment		
Capital Construction Surplus	170,000	
2. Optical Scanner Equipment		
Capital Construction Surplus	170,000	
Investment Income		170,000
3. Mailing/Postage Equipment		
Capital Construction Surplus	235,000	
4. Mail Sorter/Processor Equipment		
Capital Construction Surplus		90,000
5. Micro/Photographic Equipment		
Investment Income		150,000

M. TOURISM

The total non-General Fund project costs shown do not reflect additions to the operating budget appropriations.

Budget Unit	1992-93	1993-94
1. Parks		
a. Miscellaneous Major Maintenance		
Investment Income	3,700,000	3,700,000
b. Blue Licks - Multi Purpose Building Expansion and Guest Houses-Reauthorization		
c. Fort Boonesborough - Swimming Pool-Reauthorization		
d. Carr Fork Lake - Lodge Construction/Infrastructure Reauthorization		
e. Green River - Infrastructure Development Reauthorization		
f. Jenny Wiley - Golf Course Expansion-Reauthorization		

g. Grayson Lake - Beach Development-Reauthorization Fund Substitution		
Surplus Bond Proceeds	100,000	
h. Big Bone - Museum Design-Reauthorization-Fund Substitution		
Capital Construction Surplus	60,000	
i. Carter Caves - Conference Center/Infrastructure Reauthorization		
Surplus Bond Proceeds Additional	110,000	
j. Dale Hollow - Lodge Construction/Infrastructure-Reauthorization		
Bond Fund Additional	550,000	
Bonds may not be sold until after July 1, 1992		
k. Fuel Storage Tank Replacements		
Capital Construction Surplus	150,000	150,000
l. Pine Mountain - Sewage Plant Upgrade or City Connection		
Bond Fund	500,000	
Bonds may not be sold until after January 1, 1993		
m. Parks Revitalization		
Bond Fund	100,000,000	
Bonds may not be sold until after January 1, 1993		
2. Kentucky Horse Park		
a. Miscellaneous Major Maintenance		
Investment Income	250,000	250,000
3. State Fair Board		
a. Miscellaneous Major Maintenance		
Investment Income	625,000	312,500
Restricted Funds	150,000	462,500
Total	775,000	775,000
b. Exhibit Hall Expansion		
Bond Fund	22,000,000	
c. Access Road Completion		
Bond Fund	3,000,000	
4. Fish and Wildlife Resources		
a. Miscellaneous Minor Projects		
Restricted Funds	200,000	200,000

b. Education Center - Game Farm-Reauthorization		
Restricted Funds Additional	475,000	475,000
c. Land Acquisition		
Restricted Funds 1,000,000		
d. Shanty Hollow Lake - Dam Repairs-Warren County		
Restricted Funds		767,000

N. TRANSPORTATION

Budget Unit	1992-93	1993-94
1. General Administration and Support		
a. Breathitt County Maintenance Facility Reauthorization		
b. Franklin County Maintenance Facility Reauthorization		
c. Lexington District Office Building-Reauthorization		
d. Perry County Maintenance Facility-Reauthorization		
Road Fund Additional	60,000	
e. Building Repairs and Painting		
Road Fund	325,000	325,000
f. Loadometer Station Maintenance and Repair		
Road Fund	200,000	200,000
g. Road Maintenance - Various Parks		
Road Fund	750,000	750,000
h. Stormwater Runoff Testing and Remediation		
Road Fund	50,000	150,000
i. Asbestos Abatement and Monitoring		
Road Fund	75,000	
j. Materials Testing Equipment		
Road Fund	150,000	100,000
k. Mailing Machine		
Road Fund		80,000
l. Montgomery County Maintenance Facility		
Road Fund		615,000
m. Barren County Maintenance Facility		
Road Fund		465,000
n. Various Environmental Projects		
Restricted Funds	1,500,000	1,500,000

2. Department of Vehicle Regulation		
a. IVHS Equipment		
Road Fund	400,000	

O. WORKFORCE DEVELOPMENT

Budget Unit	1992-93	1993-94
1. Executive Policy and Management		
a. Minicomputer Replacement - Cabinet		
Federal Funds	127,000	
b. Miscellaneous Maintenance Pool		
Investment Income	850,000	935,000
2. Adult Technical Education		
a. HVAC System Replacement: Hazard State Vocational Technical School		
Surplus Bond Proceeds	266,000	
b. Industrial Technology Upgrade: Hazard State Vocational Technical School		
Bond Fund	2,125,000*	
*No bond sale shall occur prior to January 1, 1993.		
3. Vocational Rehabilitation		
a. Bull-Honeywell Minicomputer Upgrade		
Federal Funds	270,000	
b. Two Color Press - Perkins Rehabilitation Center		
Federal Funds	55,000	

In the event that any authorized capital construction and/or major equipment projects are canceled it is the intent of the General Assembly that any General Fund appropriated debt service for those same projects shall lapse to the credit of the General Fund. The Council on Higher Education subheading in this section includes projects entitled "Life Safety Projects Bond Pool" and "University Agency Fund Bond Projects Pool." For the Life Safety Projects Bond Pool, $10 million in projects are authorized to be funded from General Fund-supported bonds. For the University Agency Fund Bond Projects Pool, $23 million in projects are authorized to be funded from Restricted Funds-supported bonds. These two pools provide funding for individual projects to be recommended by the Council on Higher Education to the Secretary of the Finance and Administration Cabinet from the respective project listings previously identified and recommended by the Council for funding in the 1992-94 biennium. The provisions of KRS 45.750 through 45.992 notwithstanding, it is the intent of the General Assembly that capital construction projects at institutions of higher education involving no state or federal funds, may be authorized between regular sessions of the General Assembly, providing that such projects receive prior approval from both the Council on Higher Education and the Secretary of the Finance and Administration Cabinet, and that the Capital Projects and Bond Oversight Committee receives prior notification.

Pursuant to the provisions of KRS 45.760(12), the Capital Construction and Equipment Purchase Contingency Fund may be used to advance funds to projects authorized to be financed by bonds and may be used to finance feasibility studies for future projects.

Roof repair or replacement projects shall be eligible for Emergency Repair, Maintenance, and Replacement Fund allotments, subject to the provisions of KRS 45.780.

Before any economic development bonds are issued, the proposed bond issue shall be approved by the Secretary of the Finance and Administration Cabinet and the State Property and Buildings Commission under the provisions of KRS 56.440-56.720. Administration of the Economic Development Bond program by the Secretary of Economic Development Cabinet is subject to the guidelines contained herein: 1) Project selection criteria are to be developed by the Secretary of Economic Development Cabinet. The criteria shall include, but not be limited to, such issues as: a project's job creation and/or job retention potential, degree of public and/or private local involvement, and potential project payback and/or contribution in retiring the associated debt obligation. 2) Projects of state agencies are not eligible for funding from this source unless expressly provided for in the Appropriation Act. 3) Project selection shall be documented when presented to the Secretary of Finance. Included in the documentation shall be the rationale for selection and expected economic development impact. 4) Following approval by the Secretary of the Finance and Administration Cabinet and the State Property and Buildings Commission, the project shall be presented by the Economic Development Cabinet to the next regularly scheduled Capital Projects and Bond Oversight Committee meeting for information and review under the provisions of KRS 45.750-45.800.

Inasmuch as the identification of specific projects in a variety of areas of the state government cannot be ascertained with absolute certainty at this time, it is the purpose and intent of the General Assembly to appropriate amounts for specific purposes to projects which are not individually identified herein in the following areas: Repair of State-Owned Dams, Economic Development projects, Infrastructure Projects, Asbestos Abatement projects, Tourism Development projects, the Life Safety Projects Bond Pool for Higher Education, the University Agency Fund Bond Projects Pool, as well as certain computer acquisitions or improvements related to the implementation of the expansion of the Council on Higher Education's Accountability Enhancement Program. Any such projects estimated to cost over $200,000 and equipment estimated to cost over $100,000 shall be reported to the Capital Projects and Bond Oversight Committee. All moneys transferred to the Finance and Administration Cabinet for capital construction from any appropriations, including income from investments, shall be expended, accounted for, and otherwise treated in the same manner as funds appropriated directly to the Finance and Administration Cabinet for capital construction.

The provisions of KRS 56.870(1) shall not be applicable to the financing of any project where the project is certified by the Secretary of Finance to be of such type as to independently produce revenue sufficient to fully meet debt service, issuance costs, reserve fund requirements, insurance premiums and any other expenditures necessary for financing so that no appropriation of state funds will be required. Such certification shall be made in writing by the Secretary of the Finance and Administration Cabinet to the statutory head of the issuing agency or authority with a copy to the Governor and the Legislative Research Commission.

Repayments of revolving funds established with bond issues for which debt service, issuance costs, reserve fund requirements, insurance premiums or any other expenditures associated with the issuance of such bonds is appropriated by the General Assembly shall not be deemed independently produced revenue.

Prior to the issuance of the revenue bonds or notes authorized by this Act, the agency authorized to issue the bonds or notes shall furnish to the Capital Projects and Bond Oversight Committee and the Interim Joint Committee on Appropriations and Revenue, and make available to the public, a listing of all costs associated, either directly or indirectly, with the issuance of the revenue bonds or notes. The costs shall be itemized as to amount and name of payee, and shall include fees or commissions paid to, or anticipated to be paid to, issuers, underwriters, placement agents and advisors, financial advisors, remarketing agents, credit enhancers, trustees, accountants, and the counsel of all such persons, bond counsel and special tax counsel, and shall include the economic benefits received or anticipated to be received by any other persons from any source in return for services performed relating to the issuance of the bonds or notes. Changes in amounts or names of payees or recipients, or additions of amounts or names of payees or recipients, to the listing furnished and made available pursuant to this section, shall be furnished to the Capital Projects and Bond Oversight Committee and the Interim Joint Committee on Appropriations and Revenue and made available to the public within three (3) days following the change.

PART III

GENERAL PROVISIONS

1. Restricted funds designated in the biennial appropriations acts are classified in the state financial records and reports as the Agency Revenue Funds, State Enterprise Funds (State Parks, State Fair Board, Industries for the Blind, and Kentucky Horse Park), Internal Services Funds (Computer Services, Central Stores, Telecommunications, Prison Industries, Central Printing and Property Management) and selected Fiduciary Funds (Unemployment Compensation and Other Expendable Trust). Separate funds records and reports shall be maintained in a manner consistent with the appropriations acts. Appropriations out of restricted

funds in this Act shall include all fees (which include fees for board and room, athletics, and student activities) and rentals, admittances, sales, bond proceeds, licenses collected by law, gifts, subventions, contributions, income from investments, and other miscellaneous receipts produced or received by an agency or budget unit of the state government, except as otherwise specifically provided, for the use and benefit of each agency or budget unit for the purposes for which each restricted agency fund or account is authorized. Restricted funds receipts shall be credited and allotted to the respective fund or account out of which a specified appropriation is made as provided in Part I. All receipts of restricted funds shall be deposited in the State Treasury and credited to the proper account as provided in KRS Chapters 12, 42, 45 and 48. Appropriations out of federal funds in this Act shall include federal subventions, grants, contracts or other federal funds received, income from investments and other miscellaneous federal receipts received by an agency or budget unit of the state government, except as otherwise provided, for the use and benefit of each agency or budget unit for the purposes for which each fund account is authorized. Federal funds receipts shall be credited and allotted to the respective fund account out of which a specified appropriation is made as provided in Part I. All federal funds receipts shall be deposited in the State Treasury and credited to the proper account as provided in KRS Chapters 12, 42, 45 and 48. If receipts received or credited to any restricted funds account or federal funds account during fiscal year 1992-93 or fiscal year 1993-94, and any balance forwarded to the credit of any such account from the previous fiscal year, exceed the appropriation made by specific sum to said account as provided in Part I of this Act for the fiscal year in which the excess occurs, said excess shall become available for expenditure for the purpose of the account during said fiscal year only upon compliance with the conditions and procedures specified in this Act and with the authorization of the State Budget Director of the Governor's Office for Policy and Management and approval of the Secretary of the Finance and Administration Cabinet. No appropriation from any fund source shall exceed the sum specified in this Act until the agency has documented the necessity, purpose, use and source, and such documentation has been submitted to the Interim Joint Committee on Appropriations and Revenue for its review and action in accordance with the provisions of this Act. Except as otherwise provided in this Act, the appropriate agency or budget unit may requisition for expenditure from the restricted funds account or the federal funds account, through the Finance and Administration Cabinet, during the fiscal year ending June 30, 1993, and during the fiscal year ending June 30, 1994, all receipts placed to the credit of respective funds accounts for such year, out of which has been established a restricted funds account or federal funds account for each separate agency or budget unit during such fiscal year, in addition to any balance which said agency may have had forwarded from the preceding year on or before August 31, of the then current fiscal year, by the Finance and Administration Cabinet. On or before the beginning of each fiscal year, and, if applicable, during each fiscal year, each agency or budget unit, shall submit to the Finance and Administration Cabinet, the Governor's Office for Policy and Management and the Legislative Research Commission documentation of restricted funds and federal funds for each budget unit showing estimated receipts and estimated expenditures, a comparative statement of any revised estimated receipts and proposed expenditures with sums specified in the enacted Budget of the Commonwealth and statements which explain the necessity, use and purpose for the occurrence of such variances. No unbudgeted appropriation shall be allotted without prior review and action by the Interim Joint Committee on Appropriations and Revenue. Any request for allotment of unbudgeted appropriations from any fund source shall be documented in written detail by the head of the budget unit and transmitted simultaneously to the State Budget Director and the Interim Joint Committee on Appropriations and Revenue. Proposed revisions to the specified appropriations sums in this Act to be authorized by the State Budget Director, or designee, shall be transmitted to the Interim Joint Committee on Appropriations and Revenue at least twenty (20) days prior to the next regular committee meeting date. The Committee shall then review the proposed expenditure of unbudgeted appropriations for conformance with the purposes of the appropriations and enacted budget, the provisions of this Act or statutes, and the statutory budget memorandum. If the Committee disapproves of the proposed revision of the enacted appropriated sum, the budget adjustment shall be invalid unless the proposed appropriation level is revised to comply with the Committee's objections, or the Committee is informed, in written detail, within 30 days by the State Budget Director that a determination has been made not to comply with the objections of the Committee. The Legislative Research Commission shall maintain records of the Committee's findings, determinations and reports of actions by the State Budget Director, and transmit these records to the General Assembly when next convened. If an emergency unbudgeted appropriation revision is required due to a declared natural disaster, calamity or impending deficit in an enacted appropriation sum as certified by the Governor, the State Budget Director is empowered to effect an emergency revised appropriation, with the approval of the Secretary of the Finance and Administration Cabinet and with concurrent notification to the Interim Joint Committee on Appropriations and Revenue of the action and its justification. Allotments within appropriated sums for the activities and purposes contained in the enacted Budget of the Commonwealth may be revised upon authorization of the State Budget Director at the request of the head of a budget unit. A copy of the request and the determinations of the State Budget Director shall be transmitted to the Interim Joint Committee on Appropriations and Revenue prior to the implementation of the revision of the allotment. If a budget unit not listed in Part I of this Act receives unanticipated restricted fund or federal fund money, the Secretary of the Finance and Administration Cabinet, upon written request from the agency head with appropriate documentation of the amount, source, purpose, necessity and use of such moneys, may authorize, upon recommendation of the State Budget Director and review and action by the Interim Joint Committee on Appropriations and Revenue, the credit and expenditure of such funds for statutory purposes. The Secretary of the Finance and Administration Cabinet shall cause to be established a separate discrete restricted funds or federal funds account, as appropriate for the receipt and disbursement of such funds and shall establish the maximum sum which may be credited and expended from the authorized account. The Secretary of the Finance and Administration Cabinet shall provide appropriate notice pursuant to this event to the Interim Joint Committee on Appropriations and Revenue.

No state agency entitled to federal funds which would represent one hundred percent (100%) of the cost of a program in which the state participates shall decline to accept or receive such entitlement without notification to the Interim Joint Committee on Appropriations and Revenue of the Legislative Research Commission and the State Budget Director.

2. Except as otherwise explicitly authorized by this Act, nothing in this Act shall be construed to repeal any appropriation made hereinbefore or hereinafter for the fiscal year ending June 30, 1992, and nothing in this Act is to be construed as amending or altering the provisions of Chapters 42, 45, and 48 of the Kentucky Revised Statutes pertaining to the duties and powers of the Secretary of the Finance and Administration Cabinet except as otherwise provided in this Act. All questions that arise in interpreting any appropriation in this Act as to the purpose or manner for which such appropriation may be expended shall be decided by the Secretary of the Finance and Administration Cabinet pursuant to KRS 48.500 and the decision of the Secretary of the Finance and Administration Cabinet shall be final and conclusive.

3. In enacting this Appropriation Act, it is the deliberate intention of the General Assembly to enact each section, and each subsection and each appropriation sum by specified fund or funds accounts thereof as a separate and/or specific appropriation and law, and if any section, any subsection, or any provision thereof shall be held invalid or unconstitutional, the decision of the courts shall not affect or impair any of the remaining sections, subsections, or provisions contained herein.

4. The Secretary of the Finance and Administration Cabinet is authorized to establish a system or formula or a combination of both for pro-rating the administrative costs of the Finance and Administration Cabinet, and the Departments of Treasury and Law relative to the administration of programs in which there is joint participation by the state and federal governments for the purpose of receiving the maximum amount of participation permitted under the appropriate Federal laws and regulations governing such programs. The receipts and allotments under this Section shall be reported to the Interim Joint Committee on Appropriations and Revenue prior to any transfer of funds.

5. All statutory continuing appropriations in existence at the time this Act takes effect are discontinued and repealed by this Act except as provided by Chapters 42, 96A, 164, 183, 278, and 441 of the Kentucky Revised Statutes. All statutes and portions of statutes in conflict with any of the provisions of this Section, to the extent of such conflict, are hereby repealed, unless otherwise provided by this Act.

6. No state agency, cabinet, department, office, or program shall incur any obligation against the General Fund or Road Fund appropriations contained herein unless such obligation may be reasonably determined to have been contemplated in the enacted budget and is based upon supporting documentation, legislative and executive records and the statutory budget memorandum.

7. Any General Fund or Road Fund appropriation made herein in anticipation of a lack, loss, or reduction of federal funds shall lapse to the General Fund or Road Fund respectively to the extent such federal funds otherwise become available.

8. The Secretary of the Finance and Administration Cabinet shall cause the Governor's Office for Policy and Management, within sixty days upon adjournment of the 1992 General Assembly, to publish a final budget document, the Budget of the Commonwealth, based upon the proposed Executive Budget as enacted by the 1992 General Assembly as well as other acts which provide appropriations for the 1992-94 biennium and based upon supporting documentation and legislative records as considered by the 1992 General Assembly and the statutory budget memorandum. This document shall include for each agency and budget unit a consolidated budget summary statement of available regular and continuing appropriated revenue by fund source, corresponding appropriation allocations by program or subprogram as appropriate, budget expenditures by principal budget class and such other fiscal data and commentary considered necessary for budget execution by the Governor's Office for Policy and Management and oversight by the Interim Joint Committee on Appropriations and Revenue. The enacted budget shall be revised or adjusted only upon approval by the Governor's Office for Policy and Management as provided in each part of this Act or by law, and upon review and action by the Interim Joint Committee on Appropriations and Revenue.

9. In the event that any authorized capital construction and/or equipment purchase projects are cancelled or if conditions imposed by this Act are not met, it is the intent of the General Assembly that any appropriated General Fund or Road Fund debt service for those same projects shall remain unallotted and lapse to the

credit of the respective General Fund or Road Fund Surplus Account. In the event that General Fund or Road Fund appropriated debt service is less than required due to favorable interest rates, refinancing, or timing variances, the excess debt service in each fiscal year shall remain unallotted and lapse to the credit of the respective surplus account.

10. It is the intent of the General Assembly that the Secretary of the Transportation Cabinet shall use road fund resources to meet the lease rental payments to the Kentucky Turnpike Authority for Resource Recovery Road projects in the amount certified by the Secretary of the Transportation Cabinet. However, in the event that road fund resources are not sufficient to meet lease rental payments, the additional amount required for meeting lease rental payments as certified by the Secretary of the Transportation Cabinet under KRS 143.090 shall be transferred from coal severance tax receipts to meet the obligation.

11. No funds appropriated in this Act may be expended for any purpose not specifically authorized by the General Assembly in this Act nor may funds appropriated in this Act be transferred to or between any cabinet, department, board, commission, institution, agency or budget unit of state government unless specifically authorized by the General Assembly in this Act. Compliance with the provisions of this subsection shall be reviewed and determined by the Interim Joint Committee on Appropriations and Revenue.

12. Nothing in this Act shall be construed to confirm or ratify, under KRS 12.027 or 12.028, any executive reorganization order unless such executive order was confirmed or ratified by appropriate amendment to the Kentucky Revised Statutes in another Act of the 1992 General Assembly. If any executive reorganization order issued from sine die adjournment of the 1990 Regular Session to sine die adjournment of the 1992 Regular Session is not confirmed by the 1992 General Assembly, the Secretary of the Finance and Administration Cabinet is empowered and directed, in consultation with agency heads and with notification to the Legislative Research Commission, to transfer the balance of funds for any affected program or function for fiscal year 1991-92 and any related appropriations and funds for each of the next two fiscal years from the budget unit in which the program or function was placed by the executive reorganization order to the budget unit in which the program or function resided prior to such reorganization action or in which it was placed by action of the 1992 General Assembly. The Legislative Research Commission shall forward the documentation to the appropriate committees.

13. Any appropriation in this Act and any other enactment by the 1992 General Assembly which contains an appropriations provision for the same purpose and amount shall be construed as duplicate sums and no additional moneys shall be provided for the duplicate appropriations. Questions of interpretation of such duplicate appropriations shall be determined as provided in this Act.

14. A Budget Reserve Trust Fund is hereby established. There is appropriated from the General Fund, $5,000,000 for fiscal year 1992-93 and $5,000,000 for fiscal year 1993-94 to the Budget Reserve Trust Fund.

These funds shall be used in the event actual General Fund receipts during the 1992-93 fiscal year or the 1993-94 fiscal year are not sufficient to meet the General Fund appropriation levels authorized by this Act or other general biennial appropriations bills. In addition, allotments from the Budget Reserve Trust Fund may be made for items deemed to be emergency or mandated expenditures elsewhere provided for in this Act if there be insufficient moneys in the General Fund Surplus Account.

No allotment or expenditure from the Budget Reserve Trust Fund shall be made except upon approval of the Governor of the Commonwealth. The Secretary of the Finance and Administration Cabinet shall, before authorizing any allotment or expenditure from the Budget Reserve Trust Fund, provide written notice to the Interim Joint Committee on Appropriations and Revenue.

Any expended balance remaining at the close of the 1991-92 fiscal year shall not lapse, but shall continue into the 1992-93 fiscal year and any unexpended balance remaining at the close of the 1992-93 fiscal year shall not lapse, but shall continue into the 1993-94 fiscal year.

15. The General Assembly recognizes that during the 1991-92 fiscal year the General Fund and Road Fund revenues of the Commonwealth were less than the estimates upon which appropriations for those fiscal years were made by the 1990 General Assembly under KRS Chapter 47. The General Assembly acknowledges that, as a result of shortfalls in the revenues during the biennium for which funds were appropriated by the 1990 General Assembly, the Secretary of the Finance and Administration Cabinet, as directed by KRS Chapter 47, took action to prevent an overdraft or deficit in the finances of the Commonwealth through the reduction of appropriations made under authority conferred pursuant to KRS Chapter 47 and by various other actions, all as set forth in and provided by Order 92-484 of the Secretary of the Finance and Administration Cabinet, which Orders are permanent records of the Commonwealth, on file with the State Budget Director in the Governor's Office for Policy and Management.

It is the intent of the General Assembly herein to ratify and confirm the appropriation levels appearing in Order 92-484 of the Secretary of the Finance and Administration Cabinet as the General Fund and Road Fund appropriations for fiscal year 1991-92 for the offices, boards, commissions, institutions, subdivisions and agencies of the Government of the Commonwealth of Kentucky, except so much thereof as relates to the appropriation to the Local Government Economic Assistance Fund, which sum shall be determined as provided by KRS 42.450; it is the further intent of the General Assembly herein, the provisions of any other law of the Commonwealth to the contrary notwithstanding, to ratify and confirm the advances, transfers and lapse to the General Fund and to the Road Fund of all non-General Fund and all non-Road Fund money, respectively, as identified in Order 92-484 of the Secretary of the Finance and Administration Cabinet, and to that end, the General Assembly hereby expressly ratifies, confirms, adopts, and enacts the appropriation levels contained in Order 92-484, as the appropriations for the offices, boards, commissions, institutions, subdivisions, and agencies of the Government of the Commonwealth for fiscal year 1991-92, and to the extent in conflict therewith the appropriation levels set forth in KRS Chapter 47 shall be read as conforming to the levels of appropriation hereby enacted, except that the following appropriation amounts are hereby reinstated as follows to the appropriation units identified:

Cabinet for Human Resources	
Department for Health Services	$2,143,500
Department for Mental Health/Mental Retardation Services	$2,837,100
Legislative Branch	$ 372,200
Judicial Branch	$1,855,700

16. Notwithstanding KRS 61.565, it is the intent of the General Assembly that, from July 1, 1992 through June 30, 1994, the employer contribution rate for the Kentucky Employees Retirement System shall be no more than 7.65 percent for nonhazardous duty employees and 15.05 percent for hazardous duty employees; for the same period, the employer contribution for employees of the State Police Retirement System shall be no more than 19.57 percent.

PART IV

STATE SALARY/COMPENSATION AND EMPLOYMENT POLICY

1. It is the finding of the General Assembly of the Commonwealth of Kentucky that the financial condition of state government requires the following action.

2. Notwithstanding the provisions of KRS 15.755, 15.765, 18A.355, 64.055, 64.480, 64.485, and 151B.035(7)(e), the salaries of the various state officers, officials, and employees for fiscal year 1992-93 shall not be incremented over fiscal year 1991-92 except as specifically provided for in this Act.

3. Notwithstanding the provisions of KRS 15.755, 15.765, 18A.355, 64.055, 64.480, 64.485, and 151B.035(7)(e), the salaries of the various state officers, officials, and employees for fiscal year 1993-94 shall be incremented by three percent (3%) over fiscal year 1992-93.

4. It is the intent of the General Assembly that a state employee compensation increase program, the Salary Enhancement Fund, be established to provide salary increases to permanent, full-time classified employees whose salaries, on July 1, 1992, are $20,000 or less per annum. Compensation increases amounting to two percent (2%) of salary in fiscal year 1992-93 shall be provided to those employees and those increases shall become a part of the regular salary or compensation of those employees.

It is the intent of the General Assembly that these compensation increases may be paid from those sources of funds contained in the Operating Budget, Part I of this Act, as may be available, excluding debt service appropriations, in addition to the specific appropriation designated for this purpose as contained in this Act.

5. Notwithstanding the provisions of KRS 18A.110(3)(a), it is the intent of the General Assembly that all non-elected Executive Branch officers, officials, and employees, whose salary on July 1, 1992 exceeds $50,000 per annum, shall have their salary reduced by two percent (2%).

6. It is the intent of the General Assembly that a bonus payment program be established to provide financial rewards for those employees meeting certain performance standards. Bonus payments made pursuant to this program, as defined and administered by the Department of Personnel, may be provided in fiscal

year 1992-93 and in fiscal year 1993-94 to permanent, full-time classified employees. Such bonus payments shall be in lump-sum form and shall not become part of the regular salary or compensation of the employee.

The bonus payments may be paid from all sources of funds in the Operating Budget, Part I of this Act, excluding debt service appropriations. It is the intent of the General Assembly that such funds as are available due to productivity savings or management efficiencies shall be used for these payments.

7. Notwithstanding the provisions of KRS 18A.113, 18A.1131 and 18A.1132, it is the intent of the General Assembly to provide the Commissioner of Personnel authority to approve layoff plans developed by the agencies of the Executive Branch pursuant to and in conformity with the enacted 1992-94 Budget of the Commonwealth. It is further the intent of the General Assembly that all layoff plans approved by the Commissioner of Personnel pursuant to these provisions shall be transmitted to the Interim Joint Committees on Appropriations and Revenue.

PART V

FUNDS TRANSFER

1. It is the finding of the General Assembly of the Commonwealth of Kentucky that the financial condition of state government requires the following action.

2. Notwithstanding the requirements of the statutes set forth below, there is hereby transferred from the restricted and special funds enumerated below to the General Fund the following amounts in fiscal year 1992-93 and fiscal year 1993-94.

		1992-93	1993-94
1.	Kentucky Law Enforcement Foundation Program Fund	1,000,000	1,000,000
	(KRS 15.430-500; 42.190; and 136.392)		
2.	Fire and Tornado Insurance Fund	2,000,000	2,000,000
	(KRS 56.095; 56.150; 56.180)		
3.	Department of Insurance	2,000,000	2,000,000
	(KRS 304.2-300 and KRS 304.2-440)		
4.	Department of Financial Institutions	250,000	250,000
	(KRS 287.485)		
5.	Professional Firefighter Foundation Fund	6,000,000	5,500,000
	(KRS 94A.220; 42.190; 136.392)		
6.	Economic Development Cabinet Economic Development Bond Repayments	3,000,000	4,000,000
	(KRS Chapter 47)		
7.	Capital Construction		
	Investment Income	1,500,000	1,500,000
	Total	15,750,000	16,250,000

PART VI

GENERAL FUND BUDGET REDUCTION PLAN

Pursuant to KRS 48.130, there is hereby established a General Fund Budget Reduction Plan for state government for fiscal year 1992-93 and fiscal year 1993-94. Direct services and obligations essential to the minimum level of constitutional functions are exempted from the requirements of this Plan.

A. In the event of a reduction (revenue shortfall) in the estimated General Fund revenue receipts of $4,587,126,800 fiscal year 1992-93 and $4,863,891,200 for fiscal year 1992-94, the heads of the executive, judicial, and legislative branches shall implement pro-rata reductions for their respective branches in the following sequence:

1. The Local Government Economic Assistance Fund shall be adjusted to equal revised estimates of receipts pursuant to KRS 42.450.

2. Funds available in the General Fund Surplus Account, created by KRS 48.700, shall be applied toward the revenue shortfall.

3. Funds in the Budget Reserve Trust Fund in an amount not to exceed $23,500,000 shall be applied.

4. Funds which accrue as a result of personnel vacancies and turnover, reduced debt service requirements, operating savings or reduced capital outlay shall be applied.

5. Transfers of excess or unbudgeted restricted operating funds, excluding fiduciary funds or dedicated statutory funds, shall be applied.

6. If the actions outlined above are insufficient to eliminate the revenue shortfall, it is then the intent of the General Assembly that the Governor of the Commonwealth of Kentucky be empowered to take all other necessary actions to balance the budget.

PART VII

ROAD FUND BUDGET REDUCTION PLAN

Pursuant to KRS 48.130, there is hereby established a Road Fund Budget Reduction Plan for fiscal year 1992-93 and fiscal year 1993-94. In the event of an actual or estimated deficit in Road Fund receipts in fiscal year 1992-93 or in fiscal year 1993-94 of at least two and one-half percent (2.5%) but not more than five percent (5%) less than the revenue estimates as determined under subsection (3) of KRS 48.120, the Governor shall implement sufficient reductions as may be required to protect the highest possible level of service in accordance with KRS 48.130.

PART VIII

ROAD FUND SURPLUS EXPENDITURE PLAN

Pursuant to KRS 48.140, there is hereby established a plan for the expenditure of Road Fund tax receipts up to two and one-half percent (2.5%) in excess of the tax receipts estimate for the Road Fund as determined by subsection (3) of KRS 48.120. This Road Fund Surplus Expenditure Plan provides for additional money for nonrecurring expenditures for which an appropriation was not made in this Appropriations Act, or for a program or service authorized by law for which an appropriation was not made or which program was not fully funded.

The Secretary of the Finance and Administration Cabinet shall determine, after the close of fiscal year 1991-92 and fiscal year 1992-93, based on the official financial records of the Commonwealth, and in accordance with KRS 48.120, the amount of excess Road Fund tax receipts available for expenditure through this Road Fund Surplus Expenditure Plan. The amount of excess receipts available shall be determined after all allocations required by statutory Road Fund revenue sharing programs have been adjusted pursuant to the applicable statutes. The Secretary of the Finance and Administration Cabinet shall communicate this information to the Secretary of the Transportation in a timely manner.

The Secretary of Transportation is hereby authorized to expend these excess tax receipts, up to the amount reported by the Secretary of the Finance and Administration Cabinet, for the purpose stated herein: fifty percent (50%) of the available receipts shall be deposited to the Highway Construction Contingency account for use in accordance with KRS Chapter 45 and fifty percent (50%) of the available receipts shall be deposited to the Secretary's Emergency Fund for use in accordance with this Act.

The Committee Substitute to **HB 468** is as follows:

HB 468, AN ACT relating to appropriations for the operation, maintenance, support, and functioning of the government of the Commonwealth of Kentucky and its various officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and other state supported activities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

PART I

OPERATING BUDGET

There is appropriated out of the General Fund, Road Fund, restricted funds accounts or federal funds accounts for the fiscal year ending June 30, 1992, and for the fiscal year beginning July 1, 1992 and ending June 30, 1993, and for the fiscal year beginning July 1, 1993 and ending June 30, 1994, the following discrete sums, or so much thereof as may be necessary. Appropriated funds are included pursuant to KRS 48.700 and 48.710. Each appropriation is made by source of respective fund or funds accounts. Appropriations for the following officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies and budget units of the state government, and any and all other activities of the government of the Commonwealth are subject to the provisions of Chapters 12, 42, 45 and 48 of the Kentucky Revised Statutes and compliance with the conditions and procedures set forth in this Act.

A. GOVERNMENT OPERATIONS

1. EXECUTIVE OFFICE OF THE GOVERNOR

a. Office of the Governor

	1991-92	1992-93	1993-94
General Fund	250,000	3,801,000	3,797,100
Restricted Funds		236,900	179,700
Total		4,037,900	3,976,800

Included in the above General Fund appropriation in each year of the biennium is $18,000 for the Governor's expense allowance to meet additional expenses associated with the position of Governor of Kentucky as specified in KRS 64.710.

Included in the above General Fund appropriation is $250,000 in fiscal year 1991-92 to further the activities of the Bicentennial Commission. Notwithstanding the provisions of KRS 45.229, any unexpended balance of the General Fund appropriation to the Bicentennial Commission at the end of fiscal year 1991-92 shall not lapse but be carried forward into fiscal year 1992-93.

b. Governor's Office for Policy and Management

	1992-93	1993-94
General Fund	1,789,900	1,846,000
Restricted Funds	50,800	51,500
Total	1,840,700	1,897,500

c. State Planning Fund

	1992-93	1993-94
General Fund	225,000	225,000

The Governor is hereby authorized to expend funds for the improvement and advancement of governmental purposes and activities.

Included in the above General Fund appropriation in each year of the biennium is $25,000 to be granted to the Bluegrass State Games.

TOTAL - EXECUTIVE OFFICE OF THE GOVERNOR

	1991-92	1992-93	1993-94
General Fund	250,000	5,815,900	5,868,100
Restricted Funds		287,700	231,200
TOTAL		6,103,600	6,099,300

2. LIEUTENANT GOVERNOR

	1992-93	1993-94
General Fund	543,200	559,500

Included in the above General Fund appropriation in each year of the biennium is $10,000 for the Lieutenant Governor's expense allowance associated with the position of Lieutenant Governor of Kentucky as specified in KRS 64.710.

3. SECRETARY OF STATE

	1992-93	1993-94
General Fund	1,618,900	1,667,500

All operating receipts from all activities of the Office of the Secretary of State shall be deposited in the State Treasury to the credit of the General Fund.

4. BOARD OF ELECTIONS

	1992-93	1993-94
General Fund	3,328,000	3,427,800
Restricted Funds	100,000	100,000
Total	3,428,000	3,527,800

Included in the above General Fund appropriation is $1,715,500 in fiscal year 1992-93 and $1,767,000 in fiscal year 1993-94 to pay the state's share of county election expenses (KRS 117.345) and the state's share of voter registration expenses (KRS 116.145). Also included in the above appropriation is $80,000 in fiscal year 1992-93 for the biennial purgation of voters (KRS 116.112). Any unexpended balance remaining at the close of each fiscal year shall lapse to the credit of the General Fund. Any amount that the state is required to pay in excess of the above amounts under the provisions of KRS 116.145 is hereby appropriated, subject to the conditions and procedures provided in this Act.

Also included in the above General Fund appropriation is $875,300 in each fiscal year for the purpose of reimbursing county clerks pursuant to the provision of KRS 117.343 as enacted. Any unexpended balance remaining at the close of each fiscal year shall lapse to the credit of the General Fund.

General Fund surplus dollars in the amount of $3,000,000 in fiscal year 1993-94 shall be made available for campaign financing reform in the event of the passage of enabling legislation.

Special elections and additional precincts due to redistricting or reapportionment shall be deemed necessary governmental expenses and be paid from General Fund surplus.

5. TREASURY

	1992-93	1993-94
General Fund	1,369,500	1,410,600
Restricted Funds	231,400	232,800
Total	1,600,900	1,643,400

6. DEPARTMENT OF LAW

	1992-93	1993-94
General Fund	7,366,800	7,581,800
Restricted Funds	4,201,400	4,080,900
Federal Funds	1,392,000	1,379,900
Total	12,960,200	13,042,600

7. UNIFIED PROSECUTORIAL SYSTEM

a. Commonwealth's Attorney

	1992-93	1993-94
General Fund	11,202,100	11,538,200
Restricted Funds	38,400	38,700
Federal Fund	256,600	270,000
Total	11,497,100	11,846,900

b. County Attorney

	1992-93	1993-94
General Fund	12,174,400	12,379,300
Restricted Funds	10,000	10,000
Total	12,184,400	12,389,300

TOTAL - UNIFIED PROSECUTORIAL SYSTEM

	1992-93	1993-94
General Fund	23,376,500	23,917,500
Restricted Funds	48,400	48,700
Federal Funds	256,600	270,000
TOTAL	23,681,500	24,236,200

8. AUDITOR OF PUBLIC ACCOUNTS

	1991-92	1992-93	1993-94
General Fund		3,475,000	3,579,300
Restricted Funds	631,200	2,670,900	2,670,900
Total	631,200	6,145,900	6,250,200

No state agency shall enter into any contract with a non-governmental entity for an audit unless the Auditor of Public Accounts has declined in writing to perform the audit or has failed to respond within thirty (30) days of receipt of a written request. The agency requesting the audit shall furnish the Auditor of Public Accounts a comprehensive statement of the scope and nature of the proposed audit.

There is hereby appropriated to the Auditor of Public Accounts funds which are required in the auditing of federal disaster relief funds, subject to the conditions and procedures provided in this Act.

Any additional expense incurred by the Auditor of Public Accounts for auditing federal funds, when such audits are mandated by a cognizant federal audit agency, shall be charged to the audited agency, when such costs may be charged against federal funds. The Auditor of Public Accounts is authorized to increase the audit fees for conducting county audits if additional revenues are needed to continue the operation of the office.

Notwithstanding the provisions of KRS 43.200, no funding is provided for auditor's scholarships.

9. DEPARTMENT OF AGRICULTURE

	1992-93	1993-94
General Fund	11,759,300	12,103,100
Restricted Funds	815,300	826,200
Federal Funds	1,312,400	1,322,300
Total	13,887,000	14,251,600

Included in the above appropriation is $661,500 in fiscal year 1993 and $674,800 in fiscal year 1994 which is to be used to operate the brucellosis and pseudorabies disease eradication programs.

10. SUPERINTENDENT OF PUBLIC INSTRUCTION

	1991-92	1992-93	1993-94
General Fund	2,700	5,500	5,900

11. DEPARTMENT OF MILITARY AFFAIRS

a. General Operations

	FY 1992-93	FY 1993-94
General Fund	8,248,300	8,551,000
Restricted Funds	1,437,400	1,218,400
Federal Funds	9,967,800	5,906,000
Total	19,653,500	15,675,400

There is hereby appropriated from the General Fund the necessary funds, subject to the conditions and procedures provided in this Act, which are required as a result of the Governor's call of the Kentucky National Guard to active duty; provided, however, that an emergency or exigent situation shall have been declared to exist by the Governor.

There is hereby appropriated from the General Fund the necessary funds, subject to the conditions and procedures provided in this Act, which are required to match federal aid to which the state would be eligible in the event of a presidentially-declared disaster or emergency.

There is hereby appropriated from the General Fund Surplus Account the necessary funds, subject to the conditions and procedures provided in enabling legislation, required for Vietnam Veterans Bonus payments.

b. Veterans Nursing Home

	FY 1992-93	FY 1993-94
General Fund	6,340,000	7,632,000
Restricted Funds	2,110,000	2,467,000
Federal Funds	1,341,000	1,898,000
Total	9,791,000	11,997,000

Included in the above General Fund appropriation is $235,800 in fiscal year 1992-93 and $236,000 in fiscal year 1993-94 for debt service for the Veterans' Nursing Home at the Wilmore site.

In addition to the above General Fund appropriation, the Adjutant General may request that the State Budget Director authorize additional General Fund moneys to be made available from the General Operations unit for the requirements of the operation of the Nursing Home.

TOTAL - DEPARTMENT OF MILITARY AFFAIRS

	1992-93	1993-94
General Fund	14,588,300	16,183,000
Restricted Funds	3,547,400	3,685,400
Federal Funds	11,308,800	7,804,000
Total	29,444,500	27,672,400

12. DEPARTMENT OF PERSONNEL

a. General Operations

	1992-93	1993-94
General Fund	4,223,500	4,359,800
Restricted Funds	1,135,800	1,205,100
Federal Funds	792,600	732,300
Total	6,151,900	6,297,200

b. Workers Compensation Benefits and Reserve

	1992-93	1993-94
Restricted Funds	10,898,600	13,012,700

The above appropriations represent estimates of the funds necessary to operate this program. In the event that additional funds are required to adequately maintain this program, it is the intent of the General Assembly that such necessary funds are hereby appropriated, subject to the conditions and procedures provided in this Act.

c. Public Employees Deferred Compensation System

	1992-93	1993-94
Restricted Funds	454,700	484,500

d. Salary Enhancement Fund

	1992-93	1993-94
General Fund	3,271,000	2,291,000

TOTAL - DEPARTMENT OF PERSONNEL

	1992-93	1993-94
General Fund	7,494,500	6,651,700
Restricted Funds	12,489,100	14,702,300
Federal Funds	792,600	732,300
TOTAL	20,776,200	22,086,300

13. PERSONNEL BOARD

	1992-93	1993-94
General Fund	427,700	440,500
Restricted Funds	3,200	3,200
Total	430,900	443,700

14. DEPARTMENT FOR LOCAL GOVERNMENT

	1992-93	1993-94
General Fund	5,882,000	5,516,200
Restricted Funds	1,630,400	1,449,400
Federal Funds	31,847,000	31,966,900
Total	39,359,400	38,932,500

Included in the above General Fund appropriation is $525,000 in fiscal year 1992-93 for the local government public park and recreation matching grant program. Notwithstanding KRS 45.229, the fiscal year 1992-93 unexpended balance shall be carried forward into fiscal year 1993-94.

Included in the above General Fund appropriation is $50,000 in each year for the grant and technical assistance program for local and regional river resources and associated watershed, streams, and riparian areas.

15. COUNTY COSTS

	1992-93	1993-94
General Fund		
a. Base Court Revenue	5,431,000	5,431,000
b. Sheriffs' Fees	2,340,000	2,340,000
c. Jury Fund	4,110,000	4,110,000
d. Witnesses	126,800	126,800
e. Special Bailiffs	5,000	5,000
f. Board of Assessment Appeals	20,000	20,000
g. Fugitives from Justice	650,000	650,000
h. Sheriffs' Expense Allowance	480,000	480,000
i. Premium on Sheriffs' Bonds	615,000	615,000
j. County Clerks - Making Tax Bills	300,000	300,000

Funds required to pay county costs funded by the General Fund are hereby appropriated and additional funds may be allotted from the General Fund Surplus Account by the Secretary of the Finance and Administration Cabinet, subject to the conditions and procedures provided in this Act.

TOTAL - COUNTY COSTS

	1992-93	1993-94
General Fund	14,077,800	14,077,800

16. SPECIAL FUNDS

a. Local Government Economic Assistance Fund

	1992-93	1993-94
General Fund	35,334,800	36,344,000

The above appropriations from the General Fund are based on the official estimate of the Secretary of Finance and Administration for severance tax collections during the biennium, distributed in accordance with KRS 42.450 through 42.495. In the event actual severance tax receipts are different from the official estimate, the amount to be allotted to the Local Government Economic Assistance Fund shall be determined in accordance with KRS 42.450 through 42.495.

b. Area Development Fund

	1992-93	1993-94
General Fund	4,750,000	4,750,000

Funds appropriated from the General Fund for the Area Development Fund shall be limited to these amounts notwithstanding the provisions set forth in KRS 48.185.

TOTAL - SPECIAL FUNDS

	1992-93	1993-94
General Fund	40,084,800	41,094,000

17. GENERAL OBLIGATION BONDS

a. 1965 General Purpose Bonds

	1992-93	1993-94
General Fund	2,054,200	2,054,500

18. FINANCIAL DISCLOSURE REVIEW COMMISSION

	1992-93	1993-94
General Fund	69,000	71,100

19. MISCELLANEOUS APPROPRIATIONS

a. Board of Claims Awards

	1992-93	1993-94
General Fund	300,000	300,000

Funds are appropriated from the General Fund for the repayment of awards or judgments made by the Board of Claims against departments, boards, commissions, and other agencies maintained by appropriations out of the General Fund.

However, awards under $500, in cases where the operating agency admits negligence, shall be paid from funds available for the operations of such agencies.

b. Judgments

	1992-93	1993-94
General Fund	500,000	500,000

For payment from the General Fund of such judgments as may be rendered against the Commonwealth by courts and orders of the State Personnel Board; such payments, where applicable, shall be subject to the provisions of KRS Chapter 45. Also, to pay medical malpractice judgments against the University of Kentucky and the University of Louisville in accordance with KRS 164.941 and 164.894.

c. Guardian Ad Litem

	1992-93	1993-94
General Fund	1,300,000	1,300,000

d. Prior Year Claims

	1992-93	1993-94
General Fund	400,000	400,000

e. Unredeemed Checks Refunded

	1992-93	1993-94
General Fund	140,000	140,000

Checks written by the State Treasurer and not cashed within the statutory period may be presented to the State Treasurer for reissuance in accordance with the provisions of KRS 41.370.

f. Blanket Employees Bonds

	1992-93	1993-94
General Fund	0	0

For payment of premiums on blanket surety bonds as provided by KRS 62.170.

g. Frankfort Planning Commission

	1992-93	1993-94
General Fund	1,000	1,000

h. Frankfort Cemetery

	1992-93	1993-94
General Fund	2,500	2,500

i. Public Improvements

	1992-93	1993-94
General Fund	5,000	5,000

Funds are appropriated for paying assessments for public improvements against property owned by the Commonwealth, and for which assessments the Commonwealth is deemed to be liable.

j. Police and Firemen—Life Insurance

	1992-93	1993-94
General Fund	150,000	150,000

Funds are appropriated for payment of benefits for state and local police and firemen in accordance with KRS 61.315.

k. Workers' Compensation

	1992-93	1993-94
General Fund	249,000	303,000

Fee officers in counties over 75,000 in population.

l. Master Commissioners—Employees Retirement

	1992-93	1993-94
General Fund	120,000	120,000

m. Master Commissioners—Social Security

	1992-93	1993-94
General Fund	128,000	131,000

n. Money Refunded

	1992-93	1993-94
General Fund	2,000	2,000

For refunding money paid into the State Treasury, which may later be determined not to be a lawful collection by the state. No money shall be refunded, however, after it has been paid into the State Treasury except by authority of the head of the department or agency to whom the money was originally paid and with the approval of the Secretary of the Finance and Administration Cabinet and the Attorney General, subject to the conditions and procedures provided in this Act.

o. Involuntary Commitments ICF/MR

	1992-93	1993-94
General Fund	20,000	20,000

TOTAL - MISCELLANEOUS APPROPRIATIONS

	1992-93	1993-94
General Fund	3,317,500	3,374,500

Funds required to pay the costs of items included within the Miscellaneous Appropriations category are hereby appropriated, and any required expenditure over the above amounts is to be paid from the General Fund Surplus Account, subject to the conditions and procedures provided in this Act.

20. FLOOD CONTROL ADVISORY COMMISSION

	1992-93	1993-94
General Fund	147,100	151,000

21. COMMISSION ON HUMAN RIGHTS

	1992-93	1993-94
General Fund	1,422,800	1,465,500
Restricted Funds	800	1,100
Federal Funds	162,900	93,000
Total	1,586,500	1,559,600

22. COMMISSION ON WOMEN

	1992-93	1993-94
General Fund	167,100	172,100
Restricted Funds	5,800	1,500
Total	172,900	173,600

23. COUNTY FEES

	1992-93	1993-94
Restricted Funds		
Jefferson Co.	17,062,000	17,062,000
Kenton County	3,160,900	3,160,900
Campbell County	1,722,800	1,722,800
Fayette County	5,886,600	5,886,600
Daviess County	2,374,600	2,374,600
Pike County	1,793,100	1,793,100
Total	32,000,000	32,000,000

County fees for the following counties: Jefferson, Kenton, Fayette, Campbell, Daviess, and Pike are for paying the various officials of each county enumerated, seventy-five percent (75%) of the fees provided by law.

This is to be paid, by the State, to these officials when their claims for fees have been presented in the form and manner prescribed by law and approved by the Secretary of the Finance and Administration Cabinet. Each fiscal court of said counties is to receive twenty-five percent (25%) of such fees as required by KRS 64.350.

24. KENTUCKY RETIREMENT SYSTEMS

	1992-93	1993-94
General Fund	922,500	922,500
Restricted Funds	9,307,100	9,726,100
Total	10,229,600	10,648,600

The above General Fund appropriation is to provide a 1% cost-of-living increase for Kentucky Employee Retirement Systems and State Police System retirees.

25. OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

a. Board of Accountancy

	1992-93	1993-94
Restricted Funds	416,000	410,900

b. Board of Architects

	1992-93	1993-94
Restricted Funds	107,800	112,700

c. Athletic Commission

	1992-93	1993-94
Restricted Funds	60,300	60,300

d. Board of Auctioneers

	1992-93	1993-94
Restricted Funds	214,100	219,800

e. Board of Barbers

	1992-93	1993-94
Restricted Funds	133,100	136,700

Notwithstanding KRS 317.450, the Kentucky Board of Barbering is directed to increase the licensing and renewal fees necessary to provide for the enacted budget expenditure level.

f. Board of Chiropractic Examiners

	1992-93	1993-94
Restricted Funds	73,200	75,600

g. Board of Dental Examiners

	1992-93	1993-94
Restricted Funds	203,800	211,800

h. Board of Dieticians and Nutritionists

	1992-93	1993-94
Restricted Funds	10,700	11,000

i. Board of Embalmers and Funeral Directors

	1992-93	1993-94
Restricted Funds	146,900	151,200

j. Board of Engineers and Land Surveyors

	1992-93	1993-94
Restricted Funds	423,600	434,200

k. Board of Hairdressers & Cosmetologists

	1992-93	1993-94
Restricted Funds	670,300	587,200

l. Board of Hearing Aid Dealers

	1992-93	1993-94
Restricted Funds	22,000	23,000

m. Board of Landscape Architecture

	1992-93	1993-94
Restricted Funds	27,700	28,400

n. Board of Medical Licensure

	1992-93	1993-94
Restricted Funds	932,600	955,900

o. Board of Nurses

	1992-93	1993-94
Restricted Funds	1,618,500	1,636,100

Included in the above appropriation is $120,000 in fiscal year 1992-93 and $126,300 in fiscal year 1993-94 for the Nursing Incentive Scholarship Program.

p. Nursing Home Administrators Licensure Board

	1992-93	1993-94
Restricted Funds	44,500	46,400

q. Board of Occupational Therapy

	1992-93	1993-94
Restricted Funds	15,700	16,400

r. Board of Ophthalmic Dispensers

	1992-93	1993-94
Restricted Funds	7,700	7,800

s. Board of Optometric Examiners

	1992-93	1993-94
Restricted Funds	71,600	75,700

t. Board of Pharmacy

	1992-93	1993-94
Restricted Funds	454,300	447,200

u. Board of Physical Therapy

	1992-93	1993-94
Restricted Funds	111,300	114,900

v. Board of Podiatry

	1992-93	1993-94
Restricted Funds	8,100	9,300

w. Board of Psychology

	1992-93	1993-94
Restricted Funds	70,500	73,500

x. Real Estate Appraisers Board

	1992-93	1993-94
Restricted Funds	170,000	180,500

y. Real Estate Commission

	1992-93	1993-94
1. Operations	874,900	901,100

2. Real Estate Education

Education and Recovery

	1992-93	1993-94
Restricted Funds	791,100	814,800

z. Board of Respiratory Care

	1992-93	1993-94
Restricted Funds	58,500	60,200

aa. Board of Social Workers

	1992-93	1993-94
Restricted Funds	79,900	83,000

bb. Board of Speech Pathologists and Audiologists

	1992-93	1993-94
Restricted Funds	31,200	32,800

cc. Board of Veterinary Examiners

	1992-93	1993-94
Restricted Funds	68,000	70,300

TOTAL - OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

	1992-93	1993-94
Restricted Funds	7,917,900	7,988,700

26. GOVERNMENTAL SERVICES CENTER

	1992-93	1993-94
Restricted Funds	1,187,100	1,211,600

27. CAPITAL PLAZA AUTHORITY

	1992-93	1993-94
General Fund	59,300	61,700
Restricted Funds	473,500	483,100
Total	532,800	544,800

TOTAL - GOVERNMENT OPERATIONS

	1991-92	1992-93	1993-94
General Fund	252,700	149,373,200	152,357,200
Restricted Funds	631,200	76,917,400	79,443,100
Federal Funds		47,072,300	43,568,400
TOTAL	883,900	273,362,900	275,368,700

B. ECONOMIC DEVELOPMENT

28. ECONOMIC DEVELOPMENT

	1992-93	1993-94
a. Secretary's Office		
General Fund	1,618,800	2,163,600
Restricted Fund	40,000	40,000
Total	1,658,800	2,203,600
b. Financial Incentives		
General Fund	45,236,300	49,038,000
Restricted Funds	1,448,200	1,478,200
Total	46,684,500	50,516,200
c. Job Development		
General Fund	1,817,300	1,844,200
d. Community Development		
General Fund	3,111,200	3,078,600
Restricted Funds	187,500	185,000
Federal Funds	120,000	123,800
Total	3,418,700	3,387,400
e. Administration and Support		
General Fund	1,585,100	1,625,000
Restricted Funds	243,800	243,800
Total	1,828,900	1,868,800

General Fund	53,368,700	57,749,400
Restricted Funds	1,919,500	1,947,000
Federal Funds	120,000	123,800
Total	55,408,200	59,820,200

Included in the General Fund appropriation is $31,457,500 in fiscal year 1992-93 and $31,461,200 in fiscal year 1993-94 for debt service payments on the Economic Development Bond Program for the previously appropriated bond issues. Included as a part of the debt service figures is $3,393,100 in fiscal year 1992-93 and $3,391,100 in fiscal year 1993-94 for the lease rental payments associated with the $36,600,000 Economic Development Road Bond issue of the Kentucky Turnpike Authority. The Secretary of Transportation shall certify to the Secretary of Economic Development the actual amount required to meet the lease rental payment. Included as a part of the debt service figures is $6,229,000 in fiscal year 1992-93 and $6,239,800 in fiscal year 1993-94 for debt service payments on the Kentucky Development Finance Authority previously appropriated bond issues.

Included in the General Fund appropriation is $3,761,500 in fiscal year 1993-94 for the debt service payments associated with the new economic development bond appropriation identified in Part II.

The General Fund appropriation for fiscal year 1991-92 and succeeding fiscal years for the Bluegrass State Skills Corporation shall be continued and not lapse to the General Fund.

Notwithstanding the provisions of KRS 157.740 the Secretary is directed to take such action as may be necessary to execute contractual agreements for designated skills training and education projects for which funds have been specifically appropriated.

No commitment for employee training shall be made beyond the ability of the Cabinet to fund the project within the appropriation for the current biennium.

The General Fund appropriation of $250,000 for fiscal year 1992-93 to meet the Commonwealth's commitment for the financial assistance program to preserve existing jobs and prevent unemployment shall be continued into fiscal year 1993-94 and not lapse to the General Fund.

It is the intent of the General Assembly in furtherance of the public policy to preserve existing jobs and to alleviate and prevent unemployment in the Commonwealth of Kentucky, that funds be authorized for expenditure from the General Fund Surplus Account (KRS 48.700) not to exceed $14,850,700 in the 1992-94 biennium for a financial assistance program to retain existing business and industry. Such funds shall be made available only upon certification by the Secretaries of the Economic Development and Finance and Administration Cabinets to the Governor and the Interim Joint Committee on Appropriations and Revenue that the regular appropriations for fiscal years 1991-92, 1992-93 and 1993-94 are insufficient to fulfill the Commonwealth's obligations in support of the financial assistance program authorized by the General Assembly. In the event that the Governor shall affirm such certifications, the Secretary of the Finance and Administration Cabinet shall approve the allocations of the required sums from the General Fund Surplus Account and the State Treasurer shall approve such payment. A copy of the certifications, and written approval of the Governor, shall be filed with the Legislative Research Commission and reported to the Interim Joint Committee on Appropriations and Revenue.

TOTAL - ECONOMIC DEVELOPMENT

	1992-93	1993-94
General Fund	53,368,700	57,749,400
Restricted Funds	1,919,500	1,947,000
Federal Funds	120,000	123,800
TOTAL	55,408,200	59,820,200

C. DEPARTMENT OF EDUCATION

29. DEPARTMENT OF EDUCATION

a. Support Education Excellence in Kentucky (SEEK)

	1992-93	1993-94
General Fund	1,673,535,100	1,699,236,200
General Fund - Lottery Proceeds	92,860,000	104,100,000
TOTAL	1,766,395,100	1,803,336,200

The above appropriations from the General Fund and the General Fund-Lottery Procees shall be construed as a total level of appropriations for the purpose of the Support Education Excellence in Kentucky Program. In the event that the Secretary of Revenue certifies, upon notification of the Lottery Commission, to the Secretary for Finance and Administration that the lottery proceeds to be deposited in the State Treasury will not equal the above level of appropriation from this source, then the Secretary of Finance and Administration is hereby directed to transfer any remaining balance or net difference with the total appropriation from the General Fund Surplus Account, and such funds are hereby appropriated.

Accumulated earnings for the Common School Fund shall each fiscal year be transferred to the Support Education Excellence in Kentucky program.

The above appropriations include $1,468,752,900 in 1992-93 and $1,500,579,700 in 1993-94 for the base SEEK program as defined by KRS 157.360; these appropriations are intended to provide a base guarantee of $2,420 per student in average daily attendance in 1992-93 and $2.495 per student in average daily attendance in 1993-94 as well as to meet the other requirements of KRS 157.360, notwithstanding the provisions of KRS 157.360(c).

Funds appropriated to the Support Education Excellence in Kentucky program shall be allotted to school districts in accordance with KRS 157.310 through 157.440, except that the total of the funds allotted shall not exceed the appropriations for this purpose except as provided in this Act. Included within the above appropriation for the Support Education Excellence in Kentucky program is $81,158,600 in 1992-93 and $78,172,900 in 1993-94 for the Tier I component as established by KRS 157.440. If funds appropriated to the Support Education Excellence in Kentucky program are insufficient to provide the amount of money required under KRS 157.310 through 157.440, allotments to local school districts may be reduced in accordance with KRS 157.430. If either the base SEEK program appropriations or the Tier I component appropriations in either year of the 1992-94 biennium fall short of the amounts intended under the provisions of KRS 157.310 through 157.430, KRS 157.440, or any other provision of this Act, any surplus funds from the base SEEK program or from the Tier I component may be transferred to the respective appropriation experiencing the shortfall. Such a transfer shall require the approval of the Governor upon the written recommendation of the Secretary of Finance and Administration and written request of the Commissioner of the Department of Education.

The following is the minimum statewide salary schedule for 1992-93.

Rank Experience	1	II	III	IV	V
0-3 years	25,200	22,580	19,910	17,150	15,810
4-9 years	27,840	25,200	22.580	17,150	15,810
10-14 years	31,260	28,600	25.950	17,150	15,810
15-19 years	32,260	29,610	26.950	17,150	15,810
20 years and over	32,760	30,110	27.450	17,150	15,810

The following is the minimum statewide salary schedule for 1993-94.

Rank Experience	I	II	III	IV	V
0-3 years	25,200	22,580	19,910	17,150	15,810
4-9 years	27,840	25,200	22,580	17,150	15,810
10-14 years	31,260	28,600	25,950	17,150	15,810
15-19 years	32,260	29,610	26,950	17,150	15,810
20 years and over	32,760	30,110	27,450	17,150	15,810

No working budget or salary schedule shall be approved in which the salary paid any teacher is not at least equivalent to the allotment for that rank and experience, except where there is a decline in local revenue of the district concerned after it has levied the maximum ad valorem property tax rate permitted by law. Any such reduction permitted shall be only for the amount of the decline in local revenue.

In the event any local board of education contends there has been a decline in local tax resources in that district, the State Board for Elementary and Secondary Education shall certify such contention to the Revenue Cabinet. The cabinet shall then determine whether there has, in fact, been a decline in local tax resources of such district, and, if so, the amount of such decline. The Revenue Cabinet shall then certify its determination to the State Board for Elementary and Secondary Education, and the board shall accept such certified determination as final.

The State Board for Elementary and Secondary Education shall not approve any working budgets or salary schedule summaries for local boards of education for the school years 1992-93 and 1993-94 in which the total amount for 185 days on the salary schedule summary for teachers' instructional salaries is not equal to the amount for 185 days on the salary schedule summary for teachers' instructional salaries in the preceding year.

In accordance with the intent of KRS 162.060 and 162.160, no space shall be rented, purchased, or otherwise acquired and thereafter converted to classroom use without prior approval of the chief state school officer. The State Board for Elementary and Secondary Education may adopt regulations for the housing of school children. No facilities shall be approved for classroom use which are detrimental to the health of or dangerous to the safety of school children.

If a school district operates any school or grade of a school for a term of less than 185 days in accordance with KRS 158.070, or for a school day of less than the minimum required by KRS 158.060, the average daily attendance of such school shall be reduced proportionately by the chief state school officer.

Any undistributed balance in the Support Education Excellence in Kentucky fund at the end of either fiscal year 1992-93 or fiscal year 1993-94 shall lapse to the credit of the General Fund Surplus account.

The total appropriation for the Support Education Excellence in Kentucky program shall be measured by, or construed as, estimates of the state expenditures required by KRS 157.310 et seq. If the required expenditures exceed these estimates, the Secretary of the Finance and Administration Cabinet, with approval of the Governor, may increase the appropriation by such amount as may be available and necessary to meet, to the extent possible, the required expenditures under the hereinabove cited sections of the Kentucky Revised Statutes; provided, however, that any such increase of the total appropriation to the Support Education Excellence in Kentucky program is subject to Part III, General Provisions, of this Act, and the provisions of KRS Chapter 48.

Included within the above appropriation is $2,083,600 in fiscal year 1992-93 and $2,083,600 in fiscal year 1993-94 for Vocational Transportation. Included within the above appropriation is $15,500,000 in fiscal year 1992-93 and $16,000,000 in fiscal year 1993-94 to provide secondary vocational education in state-operated vocational schools.

Included within the above appropriation is $13,500,000 in fiscal year 1992-93 and $13,500,000 in fiscal year 1993-94 to provide facilities equalization funding under the provisions of KRS 157.620. If these appropriations are insufficient to meet the requirements of KRS 157.620, allotments to eligible school districts may be reduced on a pro rata basis.

Included in the above appropriation is $185,400,000 in fiscal year 1992-93 and $193,000,000 in fiscal year 1993-94 to enable local school districts to provide the employer match for qualified employees as provided for by KRS 161.550.

b. Executive Policy and Management

	1992-93	1993-94
General Fund	12,430,400	22,475,200
Restricted Funds	293,800	307,000
Federal Funds	32,700	14,300
Total	12,756,900	22,796,500

Included within the above General Fund appropriation is $5,000,000 in fiscal year 1992-93 and $10,000,000 in fiscal year 1993-94 for the school rewards escrow account and $5,000,000 in fiscal year 1992-93 and $10,000,000 in fiscal year 1993-94 for the education technology escrow account. Notwithstanding any contrary provisions of KRS 156.665, both accounts are to be established in the Finance and Administration Cabinet.

Notwithstanding any contrary provisions of KRS 156.665 and KRS 157.067, interest earnings from the school rewards escrow account and the education technology escrow account shall accrue to the credit of the General Fund.

c. Management Support Services

	1992-93	1993-94
General Fund	159,508,100	195,235,600
Restricted Funds	1,826,000	1,768,100
Federal Funds	108,661,500	114,164,100
Total	269,995,600	311,167,800

Included within the above General Fund appropriation is $4,500,000 in fiscal year 1992-93 and $18,400,000 in fiscal year 1993-94 for the purchase of textbooks and related instructional materials for grades kindergarten through eight.

Local school districts shall establish, pursuant to State Board for Elementary and Secondary Education regulations, a process whereby pupils may rent textbooks for a reasonable fee. Textbooks purchased by the State Board for Elementary and Secondary Education, prior to July 1, 1984, for grades nine through twelve shall continue to be loaned or rented to pupils until they are no longer selected and listed by the State Textbook Commission. Rental fees collected by the district shall be used for the maintenance of the textbooks and the purchase of new textbooks.

The textbooks purchased with these funds shall be used as basal texts in school districts.

No appropriation is included in this Act for the replacement of student fees; therefore, public schools may charge students for necessary fees and rentals, and may require students to purchase necessary instruction materials.

Included in the above General fund appropriation is $3,500,000 in fiscal year 1992-93 and $3,700,000 in fiscal year 1993-94 for reimbursement to local school districts for the Out-of-District Children program operated in accordance with KRS 158.135 and applicable regulations. Funds to be expended for the Out-of-District Children program shall be limited to these amounts and if sufficient funds are not available within these allocated amounts to reimburse each district for the total allowed cost of the program, each allocation shall be ratably reduced to the level of available funds.

Included in the above General Fund appropriation is: $301,900 in fiscal year 1992-93 and $301,900 in fiscal year 1993-94 for debt service for the Kentucky School for the Blind dormitory; $318,000 in fiscal year 1992-93 and $331,000 in fiscal year 1993-94 for debt service for Project 33/Kentucky School for the Blind; and $233,000 in fiscal year 1992-93 and $233,000 in fiscal year 1993-94 for debt service for the FFA Leadership Center.

Included in the above General Fund Appropriation is $136,961,200 in fiscal year 1992-93 and $158,271,900 in fiscal year 1993-94 to provide health and life insurance coverage for employees of local school districts.

If the costs for life insurance or health insurance exceed the levels of appropriated funds, any unexpended Support Education Excellence in Kentucky appropriations may be used to offset such unbudgeted costs, subject to the approval of the Secretary of the Finance and Administration Cabinet.

If the appropriations for either the Local School District Teachers' Retirement Employer Match or the Local District Health and Life Insurance fall short of statutory requirements, any surplus funds from the other appropriation unit may be transferred to the appropration unit experiencing the shortfall. Such a transfer shall be subject to the written approval of the Secretary of the Finance and Administration Cabinet upon written request of the Commissioner of the Department of Education.

d. Learning Support Services

	1992-93	1993-94
General Fund	118,456,100	136,890,100
Restricted Funds	645,500	592,200
Federal Funds	164,156,500	164,383,700
Total	283,258,100	301,866,000

Included in the above General Fund appropriation is: $33,000,000 in fiscal year 1992-93 and $37,000,000 in fiscal year 1993-94 for at-risk Pre-Kindergarten; $33,757,000 in fiscal year 1992-93 and $37,299,000 in fiscal year 1993-94 for Extended School Services; $15,900,000 in fiscal year 1992-93 and $26,400,000 in fiscal year 1993-94 for Family Resource and Youth Service Centers; $10,000,000 in fiscal year 1992-93 and $10,000,000 in fiscal year 1993-94 for Staff Development; and $800,000 in fiscal year 1992-93 and $800,000 in fiscal year 1993-94 for Principal and Superintendent Assessment.

Funds herein appropriated to establish Family Resource and Youth Services Centers shall be transferred in fiscal year 1992-93 and in fiscal year 1993-94 to the Cabinet for Human Resources consistent with the intent of KRS 156.497.

Included in the above General Fund appropriation is $39,000 in fiscal year 1992-93 and $39,000 in fiscal year 1993-94 to continue the statewide information service relative to alcohol/drug abuse among Kentucky's coal mining workforce. This project relating to drug abuse shall be conducted by the Kentucky Department of Education through Kentucky State University.

e. Learning Results Services

	1992-93	1993-94
General Fund	13,434,700	18,928,600
Restricted Funds	300,400	262,300
Federal Funds	189,600	191,500
Total	13,924,700	19,382,400

Included in the above General Fund appropriation is: $5,100,000 in fiscal year 1993-94 for Student Assessment; $300,000 in fiscal year 1992-93 and $300,000 in 1993-94 for the Kentucky Distinguished Educators program; and at least $3,920,600 in fiscal year 1992-1993 and at least $4,038,200 in fiscal year 1993-94 for the Kentucky School for the Blind and at least $6,630,500 in fiscal year 1992-93 and at least $6,829,400 in fiscal year 1993-94 for the Kentucky School for the Deaf.

TOTAL - DEPARTMENT OF EDUCATION

	1992-93	1993-94
General Fund	1,977,364,400	2,072,765,700
General Fund-Lottery Proceeds	92,860,000	104,100,000
Restricted Funds	3,065,700	2,929,600
Federal Funds	273,040,300	278,753,600
TOTAL	2,346,330,400	2,458,548,900

D. EDUCATION AND HUMANITIES

30. OFFICE OF THE SECRETARY

	1992-93	1993-94
General Fund	4,260,800	4,388,400
Restricted Funds	83,600	83,600
Federal Funds	674,500	657,000
Total	5,018,900	5,129,000

Included in the above General Fund appropriation is $2,872,900 in fiscal year 1992-93 and $2,958,300 in fiscal year 1993-94 for the Kentucky Arts Council which was previously situated in the Cabinet for Economic Development.

Also included in the above General Fund appropriation is $978,700 in fiscal year 1992-93 and $1,008,100 in fiscal year 1993-94 for the Governor's Scholars program, previously attached to the Governor's Office.

Also included in the above appropriation is $150,000 in fiscal year 1992-93 and $155,000 in fiscal year 1993-94 for the Governor's School for the Arts which was previously attached to the Governor's Office.

31. ENVIRONMENTAL COUNCIL

	1992-93	1993-94
General Fund	136,100	140,200

32. KENTUCKY EDUCATIONAL TELEVISION

	1992-93	1993-94
General Fund	14,513,900	14,949,300
Restricted Funds	734,100	857,300
Federal Funds	37,500	37,500
Total	15,285,500	15,844,100

Included in the above General Fund appropriation is $2,624,200 in fiscal year 1992-93 and $2,574,100 in fiscal year 1993-94 for debt service.

33. HISTORICAL SOCIETY

	1992-93	1993-94
General Fund	1,958,800	2,017,600
Restricted Funds	317,700	288,000
Federal Funds		
Total	2,276,500	2,305,600

Included in the above General Fund appropriation is $209,000 in fiscal year 1992-93 and $209,000 in 1993-94 for debt service for site acquisition/preparation and design/planning for an Artifact storage and display structure.

34. LIBRARIES AND ARCHIVES

a. General Operations

	1992-93	1993-94
General Fund	6,996,400	7,182,800
Restricted Funds	1,195,800	1,229,400
Federal Funds	1,518,700	1,535,100
Total	9,710,900	9,947,300

Included in the above General Fund appropriation is $1,405,000 in fiscal year 1992-93 and $1,405,300 in fiscal year 1993-94 for debt service.

b. Direct Local Aid

	1992-93	1993-94
General Fund	4,821,900	4,990,000
Restricted Funds	35,000	26,500
Federal Funds	1,046,900	1,046,900
Total	5,903,800	6,063,400

It is the intent of the General Assembly to distribute these funds according to the formula established by KRS 171.201 at the level of 46.0 cents per capita in fiscal year 1993 and 53.0 cents per capita in fiscal year 1994, notwithstanding any other provisions of KRS 171.201 to the contrary.

Total - LIBRARIES AND ARCHIVES

	1992-93	1993-94
General Fund	11,813,300	12,172,800
Restricted Funds	1,230,800	1,255,900
Federal Funds	2,565,600	2,582,000
Total	15,614,700	16,010,700

35. TEACHERS' RETIREMENT SYSTEM

	1992-93	1993-94
General Fund	54,000,000	54,100,000
Restricted Funds	3,055,700	3,161,900
Total	57,055,700	57,261,900

General funds are appropriated to comply with the obligations of the state under the Teachers' Retirement System statutes as provided in KRS 161.220 through 161.716.

Included in the above General Fund appropriation is $1,300,000 in fiscal year 1992-93 and $2,600,000 in fiscal year 1993-94 to provide for an additional cost—of-living adjustment for retired members beyond the amount mandated by KRS 161.620(2).

The above General Fund appropriation, in conjunction with those included elswhere within this Act for the Teachers' Retirement System, is based upon estimated funds needed to meet the requirements of KRS 161.220 through 161.716. In the event these combined General Fund appropriations are in excess of these requirements, such excess funds shall lapse to the credit of the General Fund.

Of the above appropriations, $20,000,000 in fiscal year 1992-93 and $20,000,000 in fiscal year 1993-94 is to be specifically directed to the system's medical insurance fund, with any amounts not required to meet current needs to be maintained as a reserve against future claims.

In accordance with KRS 161.420, in each fiscal year an amount not greater than four percent (4%) of the receipts of the state accumulation fund shall be set aside into the expense fund or expended for the administration of the retirement system. No General Fund dollars are provided in fiscal year 1992-93 or fiscal year 1993-94 for the cost of administration.

36. ORAL HISTORY COMMISSION

	1992-93	1993-94
General Fund	160,100	164,900
Restricted Funds	1,100	
Federal Funds		
Total	161,200	164,900

37. HERITAGE COUNCIL

	1992-93	1993-94
General Fund	721,600	713,000
Restricted Funds	54,500	78,200
Federal Funds	839,500	861,900
Total	1,615,600	1,653,100

38. COMMISSION ON THE DEAF AND HARD OF HEARING

	1992-93	1993-94
General Fund	255,800	263,500
Restricted Funds	100	
Federal Funds	200	
Total	256,100	263,500

39. SCHOOL FACILITIES CONSTRUCTION COMMISSION

	1992-93	1993-94
General Fund	57,834,100	57,912,000

No facility designated as a replacement project for a functional center as defined by KRS 157.420 shall be included on a school district's facility survey as an unmet need. If a replacement project for a functional center is designated as an unmet need on the facility survey, that functional center shall become a transitional center.

Notwithstanding the provisions of KRS 157.622(5), local school districts may accumulate credit, subject to the availability of funds, for its unused state allocation for a period not to exceed six (6) years.

40. KENTUCKY CENTER FOR THE ARTS

	1992-93	1993-94
General Fund	3,388,100	3,395,200

Included in the above General Fund appropriation is $2,735,100 in fiscal year 1992-93 and $2,742,200 in fiscal year 1993-94 for debt service payments.

TOTAL - EDUCATION AND HUMANITIES

	1992-93	1993-94
General Fund	149,047,600	150,216,900
Restricted Funds	5,477,600	5,724,900
Federal Funds	4,117,300	4,138,400
TOTAL	158,642,500	160,080,200

E. FINANCE AND ADMINISTRATION CABINET

41. FINANCE AND ADMINISTRATION CABINET

a. General Administration

	1992-93	1993-94
General Fund	12,937,400	17,048,200
Restricted Funds	1,610,600	1,638,600
Federal Funds	136,500	149,800
Total	14,684,500	18,836,600

Included in the above General Fund appropriation is $195,000 in fiscal year 1992-93 and $195,000 in fiscal year 1993-94 for payment to the City of Frankfort for the provision of fire and police protection and other services for state-owned property in accordance with KRS 45.021.

Also included in the above General Fund appropriation is $75,000 in fiscal year 1992-93 and $2,572,300 in fiscal year 1993-94 in the Office for Financial Management and Economic Analysis for new debt service for the Kentucky Infrastructure Authority. Also included is $8,950,800 in fiscal year 1993 and $10,439, 500 in fiscal year 1994 for debt service on previously authorized bonds in the Kentucky Infrastructure Authority.

b. Department of Administration

	1992-93	1993-94
General Fund	5,011,800	5,130,900
Restricted Funds	16,029,800	16,508,500
Total	21,041,600	21,639,400

c. Department of Facilities Management

	1992-93	1993-94
General Fund	13,700,000	14,103,200
Restricted Funds	27,176,400	28,089,900
Total	40,876,400	42,193,100

Included in the above appropriation is $60,400 from the General Fund and $49,100 from agency funds in fiscal year 1992-93 and $63,300 from the General Fund and $4,100 from agency funds in fiscal year 1993-94 in the Division of Physical Plant for debt service payments for previously issued bonds for the Capital Plaza Authority.

Also included in the above General Fund appropriation is $6,697,100 from the General Fund and $154,500 from agency funds in fiscal year 1992-93 and $6,652,000 from the General Fund and $154,500 from agency funds in fiscal year 1993-94 for the Division of Engineering for debt service payments for previously authorized debt.

d. Department of Information Systems

	1992-93	1993-94
Restricted Funds	33,231,100	34,066,200

TOTAL - FINANCE AND ADMINISTRATION

	1992-93	1993-94
General Fund	31,649,200	36,282,300
Restricted Funds	78,047,900	80,303,200
Federal Funds	136,500	149,800
TOTAL	109,833,600	116,735,300

F. HIGHER EDUCATION

42. COUNCIL ON HIGHER EDUCATION

	1992-93	1993-94
General Fund	7,645,000	8,964,400
Federal Funds	817,800	817,800
Total	8,462,800	9,782,200

Included in the above General Fund appropriation is $1,025,000 for debt service in fiscal year 1993-94 which will provide a $10,000,000 pool for life safety projects on the university campuses. Specific projects will be recommended by the Council on Higher Education to the Secretary of the Finance and Administration Cabinet for approval from the list of projects previously identified and recommended by the Council for funding from state General Fund support in the 1992-94 biennium.

Included in the above General Fund appropriation is $250,000 each year, contingent upon passage of **HB 181**, to provide tuition waivers to members of the Kentucky National Guard to attend the public community colleges, four-year institutions and vocational schools.

43. HIGHER EDUCATION ASSISTANCE AUTHORITY

	1992-93	1993-94
General Fund	18,475,900	19,090,200
Restricted Funds	12,191,300	12,393,900
Federal Funds	1,003,100	1,003,200
Total	31,670,300	32,487,300

Included in the above General Fund appropriation is $11,550,900 in fiscal year 1992-93 and $11,897,400 in fiscal year 1993-94 for College Access Program (CAP) grants. Notwithstanding KRS 164.753(4)(d), the Authority shall ensure by rules and regulations that CAP grants are available, to the extent of the foregoing appropriations, to assist financially needy part-time and full-time undergraduate students, provided that CAP grants shall be awarded only to students for attendance at participating institutions in a program of study, of at least two academic years duration, that leads to a degree, and shall not exceed the full-time tuition amount of a publicly supported community college in Kentucky. Nothing in the foregoing shall be construed to limit the authority's capability to use these funds to match federal funds, make grant awards, or adopt rules and regulations that conform to requirements of federal laws and regulations for full participation in federally funded student financial assistance programs.

The General Fund dollars appropriation herein shall be used solely for the purpose of making awards to students.

Any General Fund appropriations unexpended in fiscal years 1991-92 or 1992-93 to the Kentucky Higher Education Assistance Authority shall not lapse but shall be carried forward into the next fiscal year.

Included in the above Restricted Funds appropriation is $100,000 in each fiscal year for Teachers' Scholarships and $550,000 in each fiscal year for the Kentucky Tuition Grants program. Also included in the Restricted Funds appropriation is $2,000,000 each year for the Kentucky Tuition Grant Program.

44. EASTERN KENTUCKY UNIVERSITY

	1992-93	1993-94
General Fund	52,046,200	53,488,600
Restricted Funds	61,242,900	62,148,700
Federal Funds	14,447,100	14,447,100
Total	127,736,200	130,084,400

Included in the above General Fund appropriation is $5,700,200 in fiscal year 1992-93 and $5,708,000 in fiscal year 1993-94 for debt service. Included in the above General Fund appropriation is $66,000 in fiscal year 1992-93 and $69,300 in fiscal year 1993-94 for maintenance and operation of new facilities coming on line during the 1992-94 biennium.

45. KENTUCKY STATE UNIVERSITY

	1992-93	1993-94
General Fund	18,024,100	18,613,500
Restricted Funds	9,050,900	9,752,700
Federal Funds	7,994,300	8,291,700
Total	35,069,300	36,657,900

Included in the above General Fund appropriation is $2,684,800 in fiscal year 1992-93 and $2,681,100 in fiscal year 1993-94 for debt service. Included in the above General Fund appropriation is $247,300 in fiscal year 1992-93 and $373,700 in fiscal year 1993-94 for maintenance and operation of new facilities coming on line during the 1992-94 biennium.

46. MOREHEAD STATE UNIVERSITY

	1992-93	1993-94
General Fund	31,416,900	32,277,100
Restricted Funds	36,272,500	39,910,100
Federal Funds	9,419,100	9,911,400
Total	77,108,500	82,098,600

Included in the above General Fund appropriation is $3,738,900 in fiscal year 1992-93 and $3,743,100 in fiscal year 1993-94 for debt service.

47. MURRAY STATE UNIVERSITY

	1992-93	1993-94
General Fund	37,081,300	38,116,400
Restricted Funds	34,580,800	35,866,300
Federal Funds	4,967,000	4,967,000
Total	76,629,100	78,949,700

Included in the above General Fund appropriation is $3,645,400 in fiscal year 1992-93 and $3,646,400 in fiscal year 1993-94 for debt service.

48. NORTHERN KENTUCKY UNIVERSITY

	1992-93	1993-94
General Fund	28,816,500	29,570,400
Restricted Funds	32,080,600	34,239,600
Federal Funds	3,261,900	3,261,900
Total	64,159,000	67,071,900

Included in the above General Fund appropriation is $5,148,500 in fiscal year 1992-93 and $5,146,900 in fiscal year 1993-94 for debt service. Included in the above General Fund appropriation is $134,400 in fiscal year 1992-93 and $162,000 in fiscal year 1993-94 for maintenance and operation of new facilities coming on line during the 1992-94 biennium.

49. UNIVERSITY OF KENTUCKY

	1992-93	1993-94
General Fund	238,411,800	245,800,700
Restricted Funds	380,810,800	395,146,500
Federal Funds	55,251,400	56,722,200
Total	674,470,000	697,669,000

Included in the above General Fund appropriation is $18,371,500 in fiscal year 1992-93 and $17,951,400 in fiscal year 1993-94 for debt service. Included in the above General Fund appropriation is $1,700,600 for fiscal year 1992-93 and $1,750,100 in fiscal year 1993-94 for operations of the Kentucky Geological Survey previously included in the Economic Development Cabinet. Included in the above General Fund appropriation is $356,500 in fiscal year 1992-93 and $1,215,000 in fiscal year 1993-94 for maintenance and operation of new facilities coming on line during the 1992-94 biennium.

50. UNIVERSITY OF KENTUCKY COMMUNITY COLLEGE SYSTEM

	1992-93	1993-94
General Fund	70,900,800	73,147,500
Restricted Funds	47,144,200	48,519,000
Federal Funds	15,263,200	15,335,100
Total	133,308,200	137,001,600

Included in the above General Fund appropriation is $11,321,300 in fiscal year 1992-93 and $11,338,500 in fiscal year 1993-94 for debt service. Included in the above General Fund appropriation is $741,600 in fiscal year 1992-93 and $1,154,100 in fiscal year 1993-94 for maintenance and operation of new facilities coming on line during the 1992-94 biennium.

51. UNIVERSITY OF LOUISVILLE

	1992-93	1993-94
General Fund	133,208,200	137,467,600
Restricted Funds	162,623,400	166,428,400
Federal Funds	23,394,600	23,394,600
Total	319,226,200	327,290,600

Included in the above General Fund appropriation is $12,057,700 in fiscal year 1992-93 and $12,058,300 in fiscal year 1993-94 for debt service. Also included in the above General Fund appropriation is $13,614,200 in fiscal year 1992-93 and $14,077,100 in fiscal year 1993-94 to fulfill the Commonwealth's contractual obligation relating to indigent care furnished by Humana Hospital-University.

The General Fund appropriation related to indigent care in the first year of the biennium shall continue into the second year, for this purpose. Any unused portion of the General Fund appropriation relating to indigent care shall lapse to the credit of the General Fund at the end of fiscal year 1993-94. Included in the above General Fund appropriation is $234,800 in fiscal year 1993-94 for maintenance and operation of new facilities coming on line during the 1992-94 biennium.

52. WESTERN KENTUCKY UNIVERSITY

	1992-93	1993-94
General Fund	49,413,900	50,814,400
Restricted Funds	46,058,600	47,198,000
Federal Funds	9,558,500	9,558,500
Total	105,031,000	107,570,900

Included in the above General Fund appropriation is $4,317,100 in fiscal year 1992-93 and $4,322,900 in fiscal year 1993-94 for debt service.

TOTAL - HIGHER EDUCATION

	1992-93	1993-94
General Fund	685,440,600	707,350,800
Restricted Funds	822,056,000	851,603,200
Federal Funds	145,378,000	147,710,500
TOTAL	1,652,874,600 1,706,664,500	

G. HUMAN RESOURCES

53. CABINET FOR HUMAN RESOURCES

a. Department for Social Insurance

1. Administration

	1992-93	1993-94

General Fund	40,927,500	41,501,900
Restricted Funds	13,754,800	13,524,700
Federal Funds	82,165,200	82,890,100
Total	136,847,500	137,916,700

The Department for Social Insurance shall reimburse citizen members of the Public Assistance Appeals Board an amount not to exceed $75 per day plus travel expenses.

If any portion of the above General Fund appropriation in either fiscal year is deemed to be in excess of the necessary expenses for administration of the department, such amount, with the approval of the Governor, may be used for Public Assistance Benefits to the needy and/or Medicaid Benefits in accordance with the statutes governing the functions and activities of the Department for Social Insurance and of the Department for Medicaid Services. In no instance shall these excess funds be used, without the prior written approval of the State Budget Director, to:

1. Establish a new program.
2. Expand the services of an existing program.
3. Increase rates or payment levels in an existing program.

In instances where approval is given, notification shall be immediately forwarded to the Legislative Research Commission, along with the State Budget Director's written approval and supporting documents from the Cabinet for Human Resources and the Finance and Administration Cabinet.

2. Benefits

	1992-93	1993-94
General Fund	80,455,700	86,095,400
Restricted Funds	11,568,700	12,622,500
Federal Funds	186,338,700	193,842,900
Total	278,363,100	292,560,800

These funds are to be used for the payment of benefits in accordance with the statutes governing the functions and activities of the Department for Social Insurance. No portion of this appropriation may be used for the costs of administration.

If any portion of the above General Fund appropriation in either fiscal year is deemed to be in excess of the necessary expenses for benefits, such amount, with the approval of the State Budget Director, may be transferred from the Department for Social Insurance Benefits appropriation to the Department for Medicaid Services Benefits appropriation to avoid a projected deficit provided no reduction in services or eligibles will result from the transfer. Such transfer shall be approved by the secretary of the Finance and Administration Cabinet after concurrence by the State Budget Director of the Governor's Office for Policy and Management. Such transfer shall be reported promptly to the Interim Joint Committee on Appropriations and Revenue.

In no instance shall these excess funds be used to:

1. Establish a new program.
2. Expand the services of an existing program.
3. Increase rates or payment levels in an existing program.

Notwithstanding the provisions of KRS 42.560 and KRS 42.570, the amount necessary to supplement federal funds to maintain program levels as appropriated is authorized from the Energy Trust Fund for fiscal year 1992-93 and fiscal year 1993-94 for the LIHEAP and Weatherization programs.

3. Welfare Reform

	1992-93	1993-94
General Fund	15,454,400	17,278,400
Federal Funds	28,249,900	32,203,500
Total	43,704,300	49,481,900

b. Department for Medicaid Services

1. Administration

	1992-93	1993-94
General Fund	15,213,800	15,955,700
Restricted Funds	3,391,900	3,399,900
Federal Fund	27,058,500	28,081,900
Total	45,664,200	47,437,500

If any portion of the General Fund appropriation in either fiscal year is deemed to be in excess of the necessary expenses for administration of the department, such amount, with the approval of the State Budget Director, may be used for Medicaid Benefits and/or Public Assistance Benefits to the needy in accordance with the statutes governing the functions and activities of the Department for Medicaid Services and of the Department for Social Insurance. In no instance shall these excess funds be used, without the prior written approval of the State Budget Director, to:

1. Establish a new program.
2. Expand the services of an existing program.
3. Increase rates or payment levels in an existing program.

In instances where approval is given, notification shall be immediately forwarded to the Legislative Research Commission, along with the State Budget Director's written approval and supporting documents from the Cabinet for Human Resources and the Finance and Administration Cabinet.

2. Benefits

	1992-93	1993-94
General Fund	417,000,000	468,100,000
Restricted Funds	202,085,000	225,885,000
Federal Funds	1,589,566,400	1,757,392,600
Total	2,208,651,400	2,451,377,600

These funds are to be used for the payment of benefits in accordance with the statutes governing the functions and activities of the Department for Medicaid Services. No portion of the General Fund appropriation may be used for the costs of administration.

If any portion of the General Fund appropriation in either fiscal year is deemed to be in excess of the necessary expenses for benefits, such amount, with the approval of the State Budget Director, may be transferred from the Department for Medicaid Services Benefits appropriation to the Department for Social Insurance Benefits appropriation to avoid a projected deficit, provided no reduction in services or eligibles will result from the transfer. Such transfer shall be approved by the Secretary of the Finance and Administration Cabinet after concurrence by the State Budget Director of the Governor's Office for Policy and Management. Such transfer shall be reported promptly to the Interim Joint Committee on Appropriations and Revenue. In no instance shall these funds be used to:

1. Establish a new program.
2. Expand the services of an existing program.
3. Increase rates of payment levels in an existing program.

No funds are included for additional Nursing Facility Medicaid funded beds.

Any hospital which has participated in the HICAP program during the 1990-92 biennium will be required to continue to serve individuals and families with incomes up to 100 percent of the poverty level as provided under KRS 205.575.

c. Department for Employment Services

1. Employment Services

	1991-92	1992-93	1993-94
Restricted Funds	1,400,000	5,190,500	5,586,400
Federal Funds		81,243,200	81,025,400
Total	1,400,000	86,433,700	86,611,800

2. Administration-Unemployment Insurance

	1992-93	1993-94
Federal Funds	20,557,000	21,061,700

3. Benefits-Unemployment Insurance

	1992-93	1993-94
Federal Funds	301,600,000	310,900,000

TOTAL - EMPLOYMENT SERVICES

	1991-92	1992-93	1993-94
Restricted Funds	1,400,000	5,190,500	5,586,400
Federal Funds		403,400,200	412,987,100
TOTAL	1,400,000	408,590,700	418,573,500

Notwithstanding KRS 341.835, funds from the Unemployment Insurance Penalty and Interest Account shall be used during the 1992-94 biennium by the Department for Employement Services to operate employment and training programs.

d. Department for Health Services

	1992-93	1993-94
General Fund	45,284,000	45,659,000
Restricted Funds	11,119,500	11,307,700
Federal Funds	97,908,100	101,091,900
Total	154,311,600	158,058,600

Included in the above General Fund appropriation is $257,700 in fiscal year 1993 and fiscal year 1994 to provide toxicology services for the State Medical Examiner's Office.

e. Department for Mental Health/Mental Retardation Services

	1992-93	1993-94
General Fund	117,174,000	122,231,500
Restricted Funds	61,343,800	64,300,500
Federal Funds	20,665,500	21,681,000
Total	199,183,300	208,213,000

Included in the above General Fund appropriation is $5,080,100 in fiscal year 1992-93 and $5,651,700 in fiscal year 1993-94 for debt service.

f. Department for Social Services

	1992-93	1993-94
General Fund	108,398,400	128,545,000
Restricted Funds	16,831,500	4,537,500
Federal Funds	117,660,400	118,216,800
Total	242,890,300	251,299,300

Notwithstanding KRS 205.460, entities contracting with the cabinet to provide essential services under KRS 205.455 and this section shall provide local match, not less than the amount in effect during fiscal year 1991-92. Local match may include any combination of materials, commodities, transportation, office space, personal services or other types of facility services, or funds. The secretary shall prescribe the procedures to certify the local match assurance.

Included in the above General Fund appropriation is $178,000 in fiscal year 1992-93 and $388,900 in fiscal year 1993-94 for debt service.

g. Administration and Program Support

	1992-93	1993-94
General Fund	16,122,000	16,669,000
Restricted Funds	5,993,200	6,068,300
Federal Funds	16,111,700	16,633,900
Total	38,226,900	39,371,200

Included in the above General Fund appropriation is $5,835,600 in fiscal year 1992-93 and $6,284,800 in fiscal year 1993-94 for debt service.

Notwithstanding other provisions to the contrary including KRS 213.141, the secretary shall promulgate such administrative regulations to prescribe user fee amounts which are provided in the applicable restricted fund appropriations with the written approval of the State Budget Director and the Secretary of the Finance and Administration Cabinet. Such actions and approvals shall be reported simultaneously, in writing, to the Interim Joint Committee on Appropriations and Revenue. Changes in user fee amounts not requiring revised administration regulations shall be reported 30 days prior to the effective date of the change, in writing, to the Interim Joint Committee on Appropriations and Revenue and include the written approval of the State Budget Director and the Secretary of the Finance and Administration Cabinet.

Notwithstanding KRS 45.229, subject to the conditions, procedures, and limitation on salary and benefit costs for non-merit employees in the Appropriation Act including the Budget Memorandum and in accordance with KRS 18A.113, 18A.1131, and 18A.1132, any unexpended General Fund appropriation in the Department for Social Insurance-Benefits or Department for Social Insurance-Welfare Reform occurring during Fiscal Year 1991-92 up to $3,500,000 shall not lapse but shall be carried forward into the next fiscal year for salary and benefit costs for merit employees within the Cabinet for Human Resources.

Any authorizations in the Appropriation Act with respect to transfer, increase, or decrease of appropriated funds for the Cabinet for Human Resources shall be in accordance with the General Provisions of the Appropriations Act.

54. COMMISSION FOR HANDICAPPED CHILDREN

	1992-93	1993-94
General Fund	7,895,000	7,995,000
Restricted Funds	1,545,000	1,591,400
Federal Funds	4,134,800	4,134,800
Total	13,574,800	13,721,200

55. COMMISSION FOR HEALTH ECONOMICS CONTROL IN KENTUCKY

	1992-93	1993-94
General Fund	323,000	323,000
Restricted Funds	152,700	116,700
Total	475,700	439,700

Notwithstanding KRS 216B.025 and 216B.035, included in the salary and benefits costs are: (1) no funds for non-merit positions; (2) funds for merit positions filled by employees who were or will be employed in a non-merit position in the Commonwealth of Kentucky between December 1, 1987 and June 30, 1994 at a salary equal to or less than the employee's merit-position salary immediately prior to the employee's first non-merit position in the Commonwealth plus corresponding annual merit increments given to all merit employees for each year since or if no such merit position was held, at a salary equal to or less than the entry level of the present merit position; and (3) merit positions filled on January 31, 1992. Appropriated funds shall be allocated following the General Provisions of the Apprpropriation Act within the Commission for Health Economic Control. Any necessary termination of classified employees shall be done in accordance with KRS 18A.113, 18A.1131, and 18A.1132.

TOTAL - HUMAN RESOURCES CABINET

	1991-92	1992-93	1993-94
General Fund		864,247,800	950,353,900
Restricted Funds	1,400,000	332,976,600	348,940,600
Federal Funds		2,573,259,400	2,769,156,500
TOTAL	1,400,000	3,770,483,800	4,068,451,000

H. JUSTICE/CORRECTIONS

56. JUSTICE CABINET

a. Department of State Police

	1992-93	1993-94
General Fund	42,575,500	44,685,300
Restricted Funds	3,019,500	3,143,900
Road Fund	27,750,000	27,750,000
Federal Funds	5,000,000	5,000,000
Total	78,345,000	80,579,200

Included in the above General Fund appropriation is debt service of $291,000 in fiscal year 1992-93 and $279,700 in fiscal year 1993-94 for previously issued bonds.

There is hereby appropriated from the General Fund to the Department of State Police, subject to the conditions and procedures provided in this Act, funds which are required as a result of the Governor's call of the Kentucky State Police to extraordinary duty; provided, however, that an emergency situation shall have been declared to exist by the Governor.

b. Justice Administration

	1992-93	1993-94
General Fund	2,510,500	3,012,800
Restricted Funds	1,199,400	1,182,200
Federal Funds	7,457,700	7,446,100
Total	11,167,600	11,641,100

Included in the above general fund appropriation is $88,200 in fiscal year 1992-93 and $88,100 in fiscal year 1993-94 to support the debt service on the secure Eastern Kentucky Juvenile Facility at Morehead.

Included in the above general fund appropriation is $303,100 in fiscal year 1992-93 and $740,000 in fiscal year 1993-94 to support the operations of secure and non secure juvenile facilities in the Commonwealth.

c. Criminal Justice Training

	1992-93	1993-94
Restricted Funds	16,965,400	17,344,600

Under the provisions of the Kentucky Law Enforcement Foundation Program Fund, an eligible local unit of government shall be entitled to receive a supplement to each qualified police officer's annual base salary from the Law Enforcement Foundation Program Fund, to be paid to each officer in addition to his regular salary as prescribed by KRS 15.460 and KRS 15.500. Included in the above appropriation is $11,244,300 in fiscal year 1992-93 and $11,540,300 in fiscal year 1993-94 for training incentive payments pursuant to KRS 15.430, from receipts pursuant to KRS 136.392. It is the intent of the 1992 General Assembly that in the event funds appropriated from the Kentucky Law Enforcement Foundation Program Fund (KLEFPF) for training incentive payments are not sufficient to ensure each participant a training incentive payment which is at least $2,500, the General Assembly hereby directs that any amounts available to KLEFPF be utilized to ensure such payment.

Also included in the above restricted funds appropriation is $3,603,500 in fiscal year 1992-93 and $3,685,200 in fiscal year 1993-94 for the cost of operating the Department of Criminal Justice Training, for the operation of the y Law Enforcement Council program and the administration of the Kentucky Law Enforcement Foundation Program Fund. Also included is $1,117,600 for debt service in fiscal year 1992-93 and $1,119,100 for debt service in fiscal year 1993-94 for bonds previously issued. Any provisions to the contrary codified in KRS 15.430-510, KRS 42.192 or KRS 136.392 are hereby suspended.

In addition, $1,000,000 in each fiscal year of the biennium is transferred from the Kentucky Law Enforcement Foundation Program Fund.

TOTAL - JUSTICE CABINET

	1992-93	1993-94
General Fund	45,086,000	47,698,100
Restricted Funds	21,184,300	21,670,700
Road Fund	27,750,000	27,750,000
Federal Funds	12,457,700	12,446,100
TOTAL	106,478,000	109,564,900

57. CORRECTIONS CABINET

a. Corrections Management

	1991-92	1992-93	1993-94
General Fund		22,099,100	23,696,400
Restricted Funds	10,100	8,500	8,500
TOTAL	10,100	22,107,600	23,704,900

Included in the General Fund appropriation is $16,891,800 in fiscal year 1992-93 and $16,878,000 in fiscal year 1993-94 for debt service on previously issued bonds for State Property and Buildings Commission Projects 32, 36, 48, 49, 52, and 53.

Included in the General Fund appropriation is $338,900 in fiscal year 1992-93 and $1,837,600 in fiscal year 1993-94 for new debt service to fund expansion of Muhlenberg County Prison, Phase I, a new replacement dormitory at the Kentucky State Reformatory, and a new kitchen/dining room at Roederer Correctional Complex. The new debt service will also support the major maintenance item of steamline repair/replacement at Northpoint Training Center.

Also included in the General Fund appropriation is $820,800 in fiscal year 1992-93 and $837,300 in fiscal year 1993-94 for the operation of the Parole Board.

Also included in the above General Fund appropriation is $69,600 in fiscal year 1992-93 and $69,600 in fiscal year 1993-94 for the operations of the Kentucky Corrections Commission.

b. Adult Institutions

	1991-92	1992-93	1993-94
General Fund		108,329,500	115,065,500
Restricted Funds	2,369,900	14,331,400	12,757,500
Federal Funds		972,000	972,000
TOTAL	2,369,900	123,632,900	128,795,000

Included in the above General Fund appropriation is $1,097,800 in fiscal year 1992-93 and $3,608,800 in fiscal year 1993-94 for a 300-bed male prison, which is to be operated under a contractual arrangement pursuant to KRS Chapter 197.

The Secretary of the Corrections Cabinet, upon written recommendation by the Commissioner of Adult Institutions, may request transfer of any appropriated funds for the Department of Adult Institutions among and between the appropriation units within the Department of Adult Institutions, upon compliance with Part III, Sections 1 and 8 of the Appropriations Act and the Statutory Budget Memorandum.

c. Community Service and Local Facilities

	1991-92	1992-93	1993-94
General Fund		29,124,400	35,653,100
Restricted Funds	148,700	426,500	426,500
Federal Funds		27,200	27,200
TOTAL	148,700	29,578,100	36,106,800

Included in the above General Fund appropriation is $100,000 each fiscal year for substance abuse treatment grants and/or awards for Jefferson and Fayette Counties. Also included in the above appropriation is $150,000 each fiscal year for the establishment of community corrections programs to be administered by the Kentucky Corrections Commission.

Notwithstanding any other provisions to the contrary, any funds appropriated for payments to local jails, for housing sentenced state felons, excepting inmate medical costs, which are available at the close of fiscal year 1992-93 and fiscal year 1993-94 shall be used to increase the minimum local jail allotment payment pursuant to KRS 441.206 to $40,000. In no event shall the total additional payments exceed $442,500 per year.

d. Local Jails Support

	1991-92	1992-93	1993-94
General Fund	31,000	15,507,600	15,507,600

Included in the General Fund appropriation is $954,800 in fiscal year 1992-93 and $954,800 in fiscal year 1993-94 for medical care contracts to be distributed, upon approval of the Corrections Cabinet, to counties by the formula codified in KRS 441.206; $200,000 in fiscal year 1992-93 and $200,000 in fiscal year 1993-94 is provided, on a partial reimbursement basis, for medical claims in excess of the statutorily established threshold pursuant to KRS 441.045. The funding support for medical contracts and catastrophic medical expenses for indigents shall be maintained in discreet accounts. Any medical claim which exceeds the statutory threshold may be reimbursed for that amount in excess of the statutory threshold. In no event shall this apply to expenses of an elective, as opposed to emergency, basis and expenses shall be paid according to the Kentucky Medical Assistance Schedule.

TOTAL—CORRECTIONS

	1991-92	1992-93	1993-94
General Fund	31,000	175,060,600	189,922,600
Restricted Funds	2,528,700	14,766,400	13,192,500
Federal Funds		999,200	999,200
Total	2,559,700	190,826,200	204,114,300

I. LABOR

58. LABOR CABINET

a. Secretary

	1992-93	1993-94
General Fund	288,500	308,600
Restricted Funds	2,852,300	2,818,400
Total	3,140,800	3,127,000

b. Department of Workplace Standards

	1992-93	1993-94
General Fund	1,482,700	1,529,600
Restricted Funds	120,356,000	131,621,700
Federal Funds	4,905,300	5,143,400
Total	126,744,000	138,294,700

c. Department of Workers' Claims

	1992-93	1993-94
Restricted Funds	7,505,100	7,860,000

The Commissioner of the Department of Workers' Claims shall be paid a salary not to exceed the salary of an administrative law judge as provided in KRS Chapter 342.

The Labor Cabinet shall report monthly to the Interim Joint Committee on Appropriations and Revenue its monthly expenditures of restricted agency funds and the nature of such expenditures. Separate reporting shall be done by each department within the Labor Cabinet and for general administration and support.

Notwithstanding the provisions of KRS Chapter 342 to the contrary, the Office of the Attorney General shall be responsible for the administration of the uninsured employers' fund and shall be charged with the conservation of the assets of the fund. Funds to reimburse the Attorney General's Office for expenses incurred in litigation and administration in defense of the uninsured employers' fund shall be transferred upon request of the Attorney General's Office and approved by the Secretary of the Labor Cabinet.

The Office of the Attorney General shall report monthly to the Interim Joint Committee on Appropriations and Revenue the amount of the restricted funds expenditures in each month for the uninsured employers' fund and the nature of such expenditures.

d. Kentucky Occupational Safety and Health Review

	1992-93	1993-94
Federal Funds	342,100	358,700

TOTAL - LABOR CABINET

	1992-93	1993-94
General Fund	1,771,200	1,838,200
Restricted Funds	130,713,400	142,300,100
Federal Funds	5,247,400	5,502,100
TOTAL	137,732,000	149,640,400

J. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

59. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET

a. Department for Natural Resources

	1992-93	1993-94
General Fund	7,303,700	7,617,700
Restricted Funds	6,554,100	6,207,800
Federal Funds	2,671,500	2,509,900
Total	16,529,300	16,335,400

Included in the above General Fund appropriation is $250,000 each year for state aid to conservation districts.

Not less than $240,000 of the General Fund appropriation for each fiscal year shall be set aside for emergency forest fire suppression. Any expenditure for emergency fire suppression in excess of this amount in either fiscal year is hereby appropriated; provided, however, upon recommendation of the State Budget Director, the Secretary of the Finance and Administration Cabinet shall approve such expenditure by written order, subject to the conditions and procedures provided in this Act.

Notwithstanding KRS 262.640, included in the above appropriations is $852,400 in fiscal year 1992-93 and $868,300 in fiscal year 1993-94 in restricted funds for the operation of the Division of Conservation.

b. Department for Environmental Protection

	1992-93	1993-94
General Fund	18,870,400	19,272,600
Restricted Funds	8,791,800	9,768,500
Federal Funds	10,050,700	9,116,500
Total	37,712,900	38,157,600

Notwithstanding KRS 224.43-320, no funds are provided in the above appropriations for the assignment of full-time inspectors to each municipal solid waste landfill operating in the Commonwealth.

It is the intent of the General Assembly that an emission fee structure be implemented effective July 1, 1992 for the Division of Air Quality which will generate funds to finance the non-asbestos-related activities of the Division.

c. Department for Surface Mining Reclamation and Enforcement

	1992-93	1993-94
General Fund	12,153,900	12,202,700
Restricted Funds	3,485,400	3,575,500
Federal Funds	16,261,200	16,525,200
Total	31,900,500	32,303,400

Included in the General Fund appropriation is $750,000 in each fiscal year for the return of permit and acreage fees per KRS 350.139; any required expenditure for this purpose in excess of this amount in either fiscal year is hereby appropriated to the department.

d. Department of Law

	1991-92	1992-93	1993-94
General Fund		1,331,400	1,819,800
Restricted Funds		75,600	112,100
Federal Funds	93,500	4,126,700	3,689,500
Total	93,500	5,533,700	5,621,400

e. General Administration and Support

	1992-93	1993-94
General Fund	3,096,200	3,182,200
Restricted Funds	11,200	7,800
Federal Funds	345,600	325,200
Total	3,453,000	3,515,200

TOTAL - NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET

	1991-92	1992-93	1993-94
General Fund		42,755,600	44,095,000
Restricted Funds		18,918,100	19,671,700
Federal Funds	93,500	33,455,700	32,166,300
TOTAL	93,500	95,129,400	95,933,000

60. ENVIRONMENTAL QUALITY COMMISSION

	1992-93	1993-94
General Fund	175,600	178,700

The Commission is attached to the Cabinet for administrative purposes.

61. KENTUCKY NATURE PRESERVES COMMISSION

	1992-93	1993-94
General Fund	394,100	382,500
Restricted Funds	133,300	31,000
Federal Funds	170,300	169,600
Total	697,700	583,100

62. PETROLEUM STORAGE TANK ENVIRONMENTAL ASSURANCE FUND COMMISSION

	1992-93	1993-94
Restricted Funds	9,282,500	9,290,800

63. KENTUCKY RIVER AUTHORITY

	1992-93	1993-94
Restricted Funds	220,600	220,600

TOTAL - NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

	1991-92	1992-93	1993-94
General Fund		43,325,300	44,656,200
Restricted Funds		28,554,500	29,214,100
Federal Funds	93,500	33,626,000	32,335,900
TOTAL	93,500	105,505,800	106,206,200

K. PUBLIC PROTECTION AND REGULATION CABINET

64. OFFICE OF THE SECRETARY

	1992-93	1993-94
General Fund	295,600	304,500

65. DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

	1992-93	1993-94
General Fund	1,513,300	1,558,700
Restricted Funds	391,500	391,500
Total	1,904,800	1,950,200

Notwithstanding KRS 243.080, the one quarter of one percent credit for local licenses for retail package, retail drink and restaurant licenses is hereby suspended.

Receipts from the repeal of KRS 243.080 shall be deposited to a restricted fund account to be utilized for the operation of the Department.

66. BOARD OF CLAIMS/CRIME VICTIMS COMPENSATION BOARD

	1992-93	1993-94
General Fund	473,200	487,400
Restricted Funds	1,125,300	1,162,600
Federal Funds	327,800	337,600
Total	1,926,300	1,987,600

67. BOARD OF TAX APPEALS

	1992-93	1993-94
General Fund	246,000	253,400

68. DEPARTMENT OF HOUSING, BUILDINGS AND CONSTRUCTION

	1992-93	1993-94
General Fund	2,908,300	2,995,500
Restricted Funds	28,008,800	27,953,600
Federal Funds	4,000	4,000
Total	30,921,100	30,953,100

Notwithstanding the provisions of KRS 224.46-012, 224.46-018, and 224.70-120 the Cabinet may amend administrative regulations to increase fees based on the Cabinet's actual cost.

Notwithstanding the provisions of KRS 236.120, boiler fee inspections shall be fifteen dollars ($15).

The following fees are increased by the corresponding amounts: boiler fees-$10; plumbing permits-$8; master plumber license-$100; journeyman plumber license-$10; master plumber examination-$50 and journeyman plumber examination-$25.

Notwithstanding the provisions of KRS 95A.220 there is established the firefighters foundation program fund which combines the professional firefighters fund pursuant to KRS 42.190 and 136.392 and the volunteer firefighters fund pursuant to KRS 95A.200 to 95A.300.

Included in the above appropriation is $6,000,000 in fiscal year 1992-93 and $5,500,000 in fiscal year 1993-94 to be transferred to the General Fund surplus.

69. KENTUCKY RACING COMMISSION

	1992-93	1993-94
General Fund	876,300	902,600
Restricted Funds	8,748,200	12,667,700
Total	9,624,500	13,570,300

Included in the above restricted funds appropriation is $759,900 in fiscal year 1992-93 and $786,400 in fiscal year 1993-94 for the Backside Improvement Commission.

Also included in the restricted fund appropriation is $3,750,000 in fiscal year 1993-94 for the Breeders' Award Fund. The General Assembly hereby authorizes for expenditure from the General Fund surplus account as provided in KRS 48.700 an appropriation up to $3,750,000, including restricted funds available to the Breeders' Award Fund program as enacted by the General Assembly and subject to the conditions contained in this Act.

70. DEPARTMENT OF MINES AND MINERALS

	1992-93	1993-94
General Fund	7,170,100	7,373,800
Restricted Funds	1,011,100	978,000
Federal Funds	705,300	720,600
Total	8,886,500	9,072,400

Notwithstanding KRS 351.110, 351.315, 351,175 and 353.590 and on the effective date of this Act, the following fees are increased by the corresponding amounts: foreman/instructor exam-$25; blasting license renewal-$10; blasting license exam-$20; initial license-$20; recriprocal fee-$50; oil/gas drill permit-$100; oil gas permit transfer-$25; basic mine license $175; underground additional section-$75 and surface additional 100K tons-$75.

71. DEPARTMENT OF PUBLIC ADVOCACY

	1992-93	1993-94
General Fund	10,277,000	10,585,300
Restricted Funds	525,400	541,200
Federal Fund	1,051,000	1,101,900
Total	11,853,400	12,228,400

72. PUBLIC SERVICE COMMISSION

	1992-93	1993-94
General Fund	5,353,400	6,156,900
Restricted Funds	38,600	22,500
Federal Funds	120,000	120,000
Total	5,512,000	6,299,400

73. REGISTRY OF ELECTION FINANCE

	1991-92	1992-93	1993-94
General Fund	300,500	1,192,800	1,228,600

74. DEPARTMENT OF FINANCIAL INSTITUTIONS

	1992-93	1993-94
Restricted Funds	5,077,900	5,225,800

Included in the above appropriation is a transfer of $250,000 each year of the biennium to the General Fund surplus.

75. DEPARTMENT OF INSURANCE

	1992-93	1993-94
Restricted Funds	8,671,000	8,899,600

Included in the above appropriation is a transfer of $2,250,000 each year of the biennium to the General Fund surplus.

TOTAL - PUBLIC PROTECTION AND REGULATION CABINET

	1991-92	1992-93	1993-94
General Fund	300,500	30,306,000	31,846,700
Restricted Funds		53,597,800	57,839,000
Federal Funds		2,208,100	2,287,600
TOTAL	300,500	86,736,100	91,973,300

L. REVENUE

76. REVENUE CABINET

a. Department of Administrative Services

	1991-92	1992-93	1993-94
General Fund	150,000	15,469,400	16,097,800
Restricted Funds		122,500	55,000
Total	150,000	15,591,900	16,152,800

Notwithstanding the provisions of KRS 136.395, the insurance premium surcharge of one dollar and fifty cents ($1.50) upon each one hundred dollars ($100) of premium shall remain at one dollar and fifty cents ($1.50) upon each one hundred dollars ($100) of premium, and shall not be adjusted by the Secretary of Revenue.

b. Property Valuation Administrators

	1992-93	1993-94
General Fund	17,161,200	16,615,900
Restricted Funds	1,096,800	955,200
Total	18,258,000	17,571,100

Included in the above General Fund appropriation is $1,500,000 in fiscal year 1992-93 and $500,000 in fiscal year 1993-94 for continuation of the Emergency Assessment Program to be administered by the Department of Property Taxation. Any balance at the end of fiscal year 1992-93 shall not lapse, but shall be carried forward for the completion of this program.

Also included in the above General Assembly appropriation is $1,000,000 in fiscal year 1992-93 and $1,000,000 in fiscal year 1993-94 to replace local funding from Property Valuation Administrators.

c. Department of Tax Compliance

	1992-93	1993-94
General Fund	19,047,100	20,517,400
Road Fund	1,000,000	1,000,000
Restricted Funds	2,456,800	1,252,400
Total	22,503,900	22,769,800

The Road Funds appropriated above represent the cost of the Road Fund Compliance Programs within the Revenue Cabinet including six additional permanent full-time employees and are to be used exclusively for that purpose.

Notwithstanding the provision of KRS 365.390, the accumulated balance in the Cigarette Enforcement Agency Fund Account is hereby appropriated for any lawful tax compliance activity.

d. Department of Property Taxation

	1991-92	1992-93	1993-94
General Fund	975,500	5,428,100	5,557,700
Road Fund		250,000	250,000
Restricted Funds		354,000	254,000
Total	975,500	6,032,100	6,061,700

The Road Funds appropriated above represent the road fund portion of the costs of the Motor Vehicle Property Tax program and are to be used exclusively for that purpose. In accordance with the provisions of KRS 134.400 it is the intent of the General Assembly to establish the Delinquent Tax Fund in the Department of Property Taxation. Proceeds shall be deposited to this account according to KRS 134.400 except that the first $100,000 shall be deposited exclusively to the General Fund.

TOTAL - REVENUE CABINET

	1991-92	1992-93	1993-94
General Fund	1,125,500	57,105,800	58,788,800
Road Fund		1,250,000	1,250,000
Restricted Funds		4,030,100	2,516,600
TOTAL	1,125,500	62,385,900	62,555,400

77. KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION

	1992-93	1993-94
Restricted Funds	133,782,200	145,061,700

TOTAL REVENUE

	1991-92	1992-93	1993-94
General Fund	1,125,500	57,105,800	58,788,800
Road Fund		1,250,000	1,250,000
Restricted Funds		137,812,300 147,578,300	
TOTAL	1,125,500	196,168,100	207,617,100

M. TOURISM

78. OFFICE OF SECRETARY

	1992-93	1993-94
General Fund	1,090,600	1,123,300

Included in the General Fund appropriation is $180,000 in fiscal year 1992-93 and $180,000 in fiscal year 1993-94 for Outdoor Drama Grants.

79. BREAKS INTERSTATE PARK

	1992-93	1993-94
General Fund	89,900	89,900

Funds are appropriated for construction, maintenance, and operations at the Breaks Interstate Park. Both the Commonwealth of Kentucky and the Commonwealth of Virginia shall contribute matching cash to the Breaks Interstate Park and the Governors from both Commonwealths shall enter into a written agreement regarding financial support of the Park. The Park Commission is directed to provide a quarterly report to the Legislative Research Commission for referral to the appropriate committees.

80. DEPARTMENT OF TRAVEL DEVELOPMENT

	1992-93	1993-94
General Fund	6,010,200	6,190,500

Included in the General Fund appropriation is $2,443,000 in fiscal year 1992-93 and $2,543,000 in fiscal year 1993-94 for the Comprehensive Advertising Program and $900,000 each year of the biennium for the Local and Regional Matching Funds Program.

81. DEPARTMENT OF PARKS

	1992-93	1993-94
General Fund	23,439,600	34,771,300
Restricted Funds	39,698,000	41,780,000
Total	63,137,600	76,551,300

Included in the General Fund appropriation is $3,256,000 in fiscal year 1992-93 and $3,252,000 in fiscal year 1993-94 for debt service for Projects 45, 48, 49, 50, 51, 52, 53, and $1,103,000 of debt service in each year of the bienniun for reauthorized unissued bonds. The General Fund appropriation also includes $30,500 in fiscal year 1992-93 and $10,369,000 in fiscal year 1993-94 for new debt service authorization for projects identified in Part II.

82. KENTUCKY HORSE PARK

	1992-93	1993-94
General Fund	2,107,900	2,127,800
Restricted Funds	3,800,300	3,914,300
Total	5,908,200	6,042,100

Included in the General Fund appropriation is $1,373,100 in fiscal year 1992-93 and $1,371,000 in fiscal year 1993-94 for debt service for Projects 29 and 53.

83. STATE FAIR BOARD

	1992-93	1993-94
General Fund	7,791,900	10,391,900
Restricted Funds	19,431,100	20,077,700
Total	27,223,000	30,469,600

Included in the General Fund appropriation is $7,567,000 in fiscal year 1992-93 and $7,600,000 in fiscal year 1993-94 for debt service for Projects 21, 26, 38, 48, and 50. The General Fund appropriation also includes $2,567,000 in fiscal year 1993-94 for new debt service authorization for projects identified in Part II. Also included in the Restricted Funds appropriation is $371,000 in each year of the biennium for debt service for Project 21.

Also included in the General Fund appropriation is $224,900 in each year of the biennium for the North American International Livestock Exposition. Included in the Restricted Funds appropriation is not less than $200,000 in increased direct support of the North American International Livestock Exposition.

84. FISH AND WILDLIFE RESOURCES

	1992-93	1993-94
Restricted Funds	19,242,700	19,926,800

TOTAL-TOURISM CABINET

	1992-93	1993-94
General Fund	40,530,100	54,694,700
Restricted Funds	82,172,100	85,698,800
TOTAL	122,702,200	140,393,500

N. TRANSPORTATION

85. TRANSPORTATION CABINET

a. General Administration and Support

	1992-93	1993-94
Restricted Funds	6,545,200	6,615,700
Road Fund	43,627,100	44,336,400
Total	50,172,300	50,952,100

b. Air Transportation

	1992-93	1993-94
General Fund	643,700	1,291,700
Restricted Funds	50,000	50,000
Federal Funds	14,400	15,000
Total	708,100	1,356,700

c. Rail Transportation

	1992-93	1993-94
General Fund	568,000	70,800
Federal Funds	50,400	50,000
Total	618,000	120,800

1. Included within the above General Fund appropriation is $68,000 in fiscal year 1992-93 and $70,800 in fiscal year 1993-94 for the Railroad Commission.

2. Included within the above General Fund appropriation is $450,000 in fiscal year 1992-93 for safety and economic development related rail rehabilitation from Paducah to Kevil.

Included within the above General Fund appropriations is $50,000 in fiscal year 1992-93 for a Rapid Rail Study.

d. Public Transportation

	1992-93	1993-94
General Fund	1,466,200	737,900
Restricted Funds	66,300	66,300
Federal Funds	3,762,800	3,776,500
Total	5,295,300	4,580,700

e. Revenue Sharing

	1992-93	1993-94
Road Fund	173,296,400	176,690,400

1. Included within the above Road Fund appropriation is $65,421,100 in fiscal year 1992-93 and $66,702,100 in fiscal year 1993-94 for the County Road Aid program in accordance with 177.320 and KRS 179.410 through 179.440. Notwithstanding KRS 177.320(2), $38,000 in fiscal year 1992-93 and $38,000 in fiscal year 1993-94 is transferred from the County Road Aid appropriations to the Kentucky Transportation Center.

2. Included within the above Road Fund appropriation is $79,363,400 in fiscal year 1992-93 and $80,917,400 in fiscal year 1993-94 for the Rural Secondary program in accordance with KRS 177.320 through 177.360. Notwithstanding KRS 177.320(1), $46,000 in fiscal year 1992-93 and $46,000 in fiscal year 1993-94 is transferred from the Rural Secondary Road Aid appropriations to the Kentucky Transporation Center.

3. Included within the above Road Fund appropriation is $27,526,900 in fiscal year 1992-93 and $28,065,900 in fiscal year 1993-94 for the Municipal Road Aid program in accordance with KRS 177.365 through 177.369. Notwithstanding KRS 177.365(1), $16,000 in fiscal year 1992-93 and $16,000 in fiscal year 1993-94 is transfered from the Municipal Road Aid appropriations to the Kentucky Transportation Center.

4. Included within the above Road Fund appropriation is $985,000 in fiscal year 1992-93 and $1,005,000 in fiscal year 1993-94 for the Energy Recovery Road Fund in accordance with KRS 177.977 through 177.981.

f. Highways

	1991-92	1992-93	1993-94
Restricted Funds	19,090,000	4,322,500	2,100,000
Federal Funds		306,345,000	282,461,000
Road Fund		405,125,300	387,658,900
Bond Fund		160,000,000	
Total	19,090,000	875,792,800	672,219,900

1. Included within the above Road Fund appropriation is $116,316,000 in fiscal year 1992-93 and $111,398,500 in fiscal year 1993-94 for state construction projects.

Included within the state construction program is $6,000,000 in fiscal year 1992-93 and $6,000,000 in fiscal year 1993-94 for the State/County Bridge Program.

Included within the state construction program is $10,000,000 in fiscal year 1992-93 and $10,000,000 in fiscal year 1993-94 for the Parkway Rehabilitation.

Included within the state construction program is $35,000,000 in fiscal year 1992-93 and $33,000,000 in fiscal year 1993-94 for the Highway Construction Contingency account for the purposes as provided in KRS Chapter 45. Notwithstanding KRS 45.247(2) and (3), the Highway Construction Contingency account may be used by the Secretary of the Transportation Cabinet for any emergency situations. Any appropriations to the Highway Construction Contingency account that are not expended at the end of the fiscal year shall be transferred to the Deferred Project Construction Fund.

2. Included within the above Road Fund appropriation is $46,000,000 in fiscal year 1992-93 and $46,000,000 in fiscal year 1993-94 for state resurfacing projects.

3. Included within the above Road Fund appropriation is $290,000 in fiscal year 1992-93 and $290,000 in fiscal year 1993-94 for the Kentucky Transportation Center.

4. Included in the above Bond Fund appropriation is $10,000,000 in Investment Income Earnings from the issuance of the $150,000,000 Economic Development Road Bonds authorized herein.

5. Included in the above Road Fund appropriation is $17,355,500 in fiscal year 1992-93 and $5,580,500 in fiscal year 1993-94 for the Deferred Project Construction Fund. Appropriations to the Deferred Project Construction Fund shall not lapse in fiscal year 1992-93, but carried forward to fiscal year 1993-94.

g. Vehicle Regulation

	1992-93	1993-94
Restricted Funds	1,657,900	1,554,800
Federal Funds	1,000,000	1,000,000
Road Fund	19,884,600	20,588,500
Total	22,542,500	23,143,300

h. Debt Service

	1992-93	1993-94
Road Fund	143,071,900	158,140,700

1. Included within the above Road Fund appropriation is $23,807,200 in fiscal year 1992-93 and $23,542,400 in fiscal year 1993-94 for toll road lease rental payments.

2. Included within the above Road Fund appropriation is $14,091,000 in fiscal year 1992-93 and $14,057,400 in fiscal year 1993-94 for debt service on general obligation highway bonds.

3. Included within the above Road Fund appropriation is $41,868,700 in fiscal year 1992-93 and $41,859,900 in fiscal year 1993-94 for Resource Recovery Road lease rental payments. It is the intent of the General Assembly that the Secretary of Transportation shall use Road Fund resources to meet the lease rental payments to the Kentucky Turnpike Authority for Resource Recovery Road projects in the amount certified by the Transportation Cabinet, pursuant to KRS 143.092. However, in the event that Road Fund resources are not sufficient to meet lease rental payments, the additional amount required to meet the obligation shall be transferred from the proceeds of the tax levied on the severance or processing of coal by KRS 143.020.

4. Included within the above Road Fund appropriation is $35,253,600 in fiscal year 1992-93 and $35,249,000 in fiscal year 1993-94 for Economic Development Road lease rental payments relating to projects financed by Economic Development Road Bonds previously issued by the Turnpike Authority of Kentucky. Included within the above Road Fund appropriation is $28,051,400 in fiscal year 1992-93 and $28,054,800 in fiscal year 1993-94 for the Economic Development Road lease rental payments relating to projects financed by 1990 Economic Development Road Bonds.

5. Included within the above Road Fund appropriation is $15,377,200 in fiscal year 1993-94 for Economic Development Road lease rental payments to the Turnpike Authority of Kentucky relating to projects financed by an additional $150 million in Economic Development Road Bonds hereby authorized by the General Assembly to be issued in the 1992-94 fiscal biennium for the payment of the cost of the economic development road projects in accordance with 175.780.

6. Any moneys not required to meet lease-rental payments or to meet the administrative costs of the Turnpike Authority shall be transferred to the Deferred Project Construction Fund.

Notwithstanding the provisions of KRS 138.660(4), during the period beginning April 1, 1992 and ending June 30, 1994, in addition to those taxes imposed in KRS 138.660(1), (2) and (3); every motor carrier shall pay for every motor vehicle operated upon the public highways of this state with a combined licensed weight in excess of fifty-nine thousand nine hundred and ninety-nine (59,999) pounds an additional one and fifteen hundredths (1.15) cents per mile, subject to conditions set forth in Part IX, Special Provisions, of this Act.

Notwithstanding the provisions of KRS 175.505, it is the intent of the General Assembly that no interest is to accrue to the Debt Payment Acceleration Fund Escrow Account during the 1992-94 biennium. Furthermore, no portion of the revenues to the state Road Fund provided by the adjustments in KRS 138.220(2), excluding the provisions of KRS 177.320 and 177.365, shall accrue to the Debt Payment Acceleration Fund account during the 1992-94 biennium. Any unexpended balance remaining in the Debt Payment Acceleration Fund Escrow account at the close of the 1991-92 fiscal year is hereby appropriated.

It is the intent of the General Assembly that any unexpended balance remaining at the close of the 1991-92 fiscal year in the Snow and Ice Removal Reserve Fund, as reestablished by the 1992 General Assembly, shall be appropriated in fiscal year 1992-93 for the same purpose.

Notwithstanding the provisions of KRS 47A.(Section N) it is the intent of the General Assembly that no interest is to accrue to the Snow and Ice Removal Reserve Fund account during the 1990-92 biennium.

No funds shall be expended from the Snow and Ice Removal Reserve Fund until the Transportation Cabinet's cumulative snow and ice removal expenditures, in any fiscal year of the 1992-94 biennium exceed $6,700,000. In the event that this provision is implemented, the Transportation Cabinet shall certify to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Transportation the documented need and usage of this fund.

Any unexpended balance remaining in the Snow and Ice Removal Reserve Fund at the close of the 1992-93 fiscal year shall not lapse, but shall continue into fiscal year 1993-94.

TOTAL - TRANSPORTATION CABINET

	1991-92	1992-93	1993-94
General Fund		2,677,900	2,100,400
Restricted Funds	19,090,000	12,641,900	10,386,800
Federal Funds		311,172,100	287,302,500
Road Fund		785,005,300	787,414,900
Bond Fund		160,000,000	
TOTAL	19,090,000	1,271,497,200	1,087,204,600

O. WORKFORCE DEVELOPMENT

86. EXECUTIVE POLICY AND MANAGEMENT

	1992-93	1993-94
General Fund	619,600	638,200
Federal Funds	106,600	106,600
TOTAL	726,200	744,800

Included in the above Federal Fund appropriation is $106,600 in fiscal year 1992-93 and $106,600 in fiscal year 1993-94 for the Client Assistance Program.

87. DEPARTMENT FOR THE BLIND

	1992-93	1993-94
General Fund	1,397,000	1,438,900
Restricted Funds	2,607,300	2,497,800
Federal Funds	6,327,700	6,716,600
Total	10,331,300	10,653,300

88. GOVERNOR'S COMMISSION ON LITERACY

	1992-93	1993-94
General Fund	1,305,700	1,344,900
Restricted Funds	162,400	162,400
Federal Funds	645,200	645,200
Total	2,113,300	2,152,500

89. ADULT BASIC EDUCATION

	1992-93	1993-94
General Fund	5,158,400	5,313,200
Restricted Funds	519,000	510,800
Federal Funds	6,827,900	7,256,200
Total	12,505,300	13,080,200

90. ADULT TECHNICAL EDUCATION

	1992-93	1993-94
General Fund	53,609,500	60,217,800
Restricted Funds	28,552,600	29,695,600
Federal Funds	24,510,500	25,077,300
Total	106,672,600	114,990,700

Included in the above General Fund appropriation is $275,000 in fiscal year 1992-93 and $5,283,300 in fiscal year 1993-94 for the staffing, maintenance, and operation of new or expanded vocational facilities as authorized by the 1990 General Assembly.

91. STATE BOARD FOR ADULT AND TECHNICAL EDUCATION

	1992-93	1993-94
General Fund	35,400	36,500

92. VOCATIONAL REHABILITATION

	1992-93	1993-94
General Fund	6,489,900	6,691,400
Restricted Funds	2,082,500	1,898,100
Federal Funds	31,457,600	32,121,200
Total	40,030,000	40,710,700

Included in the above General Fund appropriation is $70,000 in fiscal year 1992-93 and $50,000 in fiscal year 1993-94 to provide technical assistance to employers concerning the Americans with Disabilities Act.

93. GENERAL ADMINISTRATION AND SUPPORT

	1992-93	1993-94
General Fund	6,118,400	6,524,000
Restricted Funds	1,864,800	1,941,300
Total	7,983,200	8,465,300

Included in the above General Fund appropriation is debt service in the amount of $3,534,300 in fiscal year 1992-93 and $3,531,400 in fiscal year 1993-94 for previously issued bonds. Included in the above General Fund appropriation is debt service in the amount of $222,000 in fiscal year 1993-94 for the Industrial Technology Building Upgrade at the Hazard State Vocational Technical School.

94. TEACHER RETIREMENT EMPLOYER CONTRIBUTION MATCH

	1991-92	1992-93	1993-94
General Fund	2,400,000	7,621,800	7,850,500

The above General Fund appropriation includes the employer match for salaries paid to vocational teachers and other Cabinet for Workforce Development employees who participate in the Teachers' Retirement System. This match will be forwarded to the Teachers' Retirement System pursuant to the provisions of KRS 161.560.

95. STATE BOARD FOR PROPRIETARY EDUCATION

	1992-93	1993-94
Restricted Funds	97,700	100,700

96. GOVERNOR'S COUNCIL ON VOCATIONAL EDUCATION

	1992-93	1993-94
Federal Funds	140,200	144,500

97. JOB TRAINING COORDINATING COUNCIL

	1992-93	1993-94
Federal Funds	151,000	155,500

98. KENTUCKY OCCUPATIONAL INFORMATION COORDINATING COMMITTEE

	1992-93	1993-94
Federal Funds	124,500	122,200

TOTAL - WORKFORCE DEVELOPMENT

	1991-92	1992-93	1993-94
General Fund	2,400,000	82,355,700	90,055,400
Restricted Funds		35,886,300	36,806,700
Federal Funds		70,290,500	72,345,300
TOTAL	2,400,000	188,532,500	199,207,400

SUBTOTAL - Executive Department of State Government

OPERATING BUDGET

	1991-92	1992-93	1993-94
General Fund	4,109,700	4,481,570,100	4,752,777,300
Restricted Funds	24,820,400	1,837,789,700	1,915,578,600
Federal Funds	93,500	3,479,124,800	3,656,819,700
Road Fund		814,005,300	816,414,900
Bond Funds		160,000,000	
Subtotal	29,023,600	10,772,489,900	11,141,590,500

CAPITAL PROJECTS

	1991-92	1992-93	1993-94
General Fund		4,766,200	11,217,900
Restricted Funds	1,900,000	302,158,500	131,149,700
Federal Funds		84,316,100	65,626,700
Bond Funds	6,600,000	179,590,600	118,218,500

Road Fund		2,010,000	2,685,000
Agency Bonds	11,966,000	25,000,000	
Capital Construction Surplus		1,678,000	1,526,000
Investment Income		14,556,000	13,166,500
Other Funds	197,000	6,291,500	12,500,000
Subtotal	20,663,000	620,366,900	356,090,300

BUDGET RESERVE TRUST FUND

	1992-93	1993-94
General Fund	5,000,000	5,000,000

TOTAL-EXECUTIVE DEPARTMENT OF STATE GOVERNMENT

	1991-92	1992-93	1993-94
General Fund	4,109,700	4,491,336,300	4,768,995,200
Restricted Funds	26,720,400	2,139,948,250	2,046,728,300
Federal Funds	93,500	3,563,440,900	3,722,446,400
Road Fund		816,015,300	819,099,900
Bond Funds	6,600,000	339,590,600	118,218,500
Agency Bonds	11,966,000	25,000,000	
Capital Construction Surplus		1,678,000	1,526,000
Investment Income		14,556,000	13,166,500
Surplus Bond Proceeds	197,000	6,291,500	12,500,000
TOTAL FUNDS	49,686,600	11,397,856,800	11,502,680,800

The above capital projects are directly funded in Part I of this Act. The above Budget Reserve Trust Fund is directly funded in Part III of this Act.

PART II

CAPITAL PROJECTS BUDGET

All appropriations to existing line-item capital construction projects expire on June 30, 1992, unless reauthorized in this act with the following exceptions: (1) a construction contract for the project shall have been awarded by June 30, 1992; (2) permanent financing shall have been obtained in the case of projects authorized for bonds; or (3) grant or loan agreements, if applicable, have been finalized and properly signed by all necessary parties. Purchases of major items of equipment require reauthorization if a purchase order has not been executed by June 30, 1992.

Moneys in the Capital Construction Fund are appropriated for the following capital projects subject to the conditions and procedures in this Act. Items listed without appropriated amounts are previously authorized for which no additional amount is required. These items are listed in order to continue their current authorization into the 1992-94 biennium. Unless otherwise specified reauthorized projects shall conform to the original authorization enacted by the 1990 General Assembly and explained in the 1990-92 statutory budget memorandum.

A. ECONOMIC DEVELOPMENT

Budget Unit	1992-93	1993-94
1. Community Economic Development Projects		
Bond Fund	8,000,000	12,500,000
Other		12,500,000
Surplus Bond Proceeds	1,000,000	
Restricted Funds	2,000,000	
Total	11,000,000	25,000,000

Included in the above appropriation are the following projects: Northern Kentucky Convention Center - $1,000,000 Surplus Bond Proceeds-Fiscal Year 1992-93; Louisville Waterfront Development - $12,500,000 Bond Fund, $12,500,000 - Other Funds - Fiscal Year 1993-94; Regional Special Events Center at Murray-Reauthorization, $8,000,000 additional Bond Fund-Fiscal Year 1992-93, and $2,000,000 Restricted Funds-Fiscal Year 1992-93.

	1992-93	1993-94
2. Economic Development Projects		
a. Economic Development Bond Pool-Reauthorization		
Bond Fund Additional		15,000,000
Surplus Bond Proceeds	2,267,000	
b. Lake Reba Recreational Projects		
Reappropriate Project 53 bond proceeds (1991-92 - $650,000)		
c. Martin's Fork Lake, Harlan County-Reauthorization		
d. Star Theatre, Russell Springs-Reauthorization		
e. Kentucky River Park Projects-Reauthorization		
f. Meade County Rip-Rap Project-Reauthorization		
g. Ludlow Sunken Barge Removal and Waterfront Development-Reauthorization		
h. Tucker-Guthrie Airport, Harlan County Reauthorization		

Notwithstanding KRS 152.052(6) the amounts shown above reflect project amounts.

B. EDUCATION

Budget Unit	1992-93	1993-94
1. Department of Education		
a. Kentucky School for the Blind - Dormitory Reauthorization		
b. FFA Leadership Training Center - Auditorium and Facility Enhancement-Reauthorization		
Bond Fund Additional	250,000	
c. Miscellaneous Maintenance Pool		
Investment Income	150,000	165,000

d. Local District Facilities Survey	
General Fund	300,000

C. EDUCATION AND HUMANITIES

Budget Unit	1992-93	1993-94
1. School Facilities Construction Commission-Reauthorization		
Bond Fund Additional	15,000,000	70,000,000
2. Kentucky Historical Society		
a. Kentucky Historical Society Preservation Center-Reauthorization		
3. Kentucky Authority for Educational Television		
a. Linotronic Typesetting Equipment		
Restricted Funds (1991-92 - $50,000)		

D. FINANCE AND ADMINISTRATION

Budget Unit	1992-93	1993-94
1. General Administration		
a. Kentucky Infrastructure Authority - Wastewater Revolving Loan and Grant Fund-Reauthorization		
Federal Funds	54,092,800	46,782,200
Bond Fund Additional	685,600	9,356,500
Total	54,778,400	56,138,700
b. Kentucky Infrastructure Authority - Fund B Loans Reauthorization		
Bond Fund Additional	15,000,000*	
c. Kentucky Infrastructure Authority -Infrastructure Development Grants		
General Fund	4,516,200	10,667,900

The above appropriations represent estimates of coal severance tax receipts to be appropriated through the Kentucky Infrastructure Authority for economic development/ infrastructure grants to coal producing counties. These estimates reflect, for fiscal year 1993, the amount attributable to three (3) percent of the coal severance tax receipts and, for fiscal year 1994, the amount of coal severance tax receipts attributable to six (6) percent of revenues. The specific allocation plan and allowable infrastructure criteria will be addressed in enabling legislation by the 1992 Regular Session of the General Assembly. In the event that actual receipts differ from the estimated appropriations embodied above, the amounts to be appropriated and disbursed will be adjusted accordingly.

Notwithstanding enactment of any other legislation by the 1992 General Assembly, the Finance and Administration Cabinet is directed to allocate to coal impact counties, 10% of the coal severance and processing taxes set aside for local government economic assistance or development. The funds will be distributed to the coal impact counties on the basis of geographic area, ton miles of resource roads, and per capita income (inverse order), weighted on a basis of 30/100, 40/100, and 30/100 respectively.

d. Solid Waste Revolving Loan and Grant Fund Reauthorization

*Bonds cannot be issued prior to January 1, 1993.

2. Department for Administration

For the major equipment purchases displayed in this section as restricted funds supported projects, it is anticipated that these funds shall be transferred from the operating budget at such time as funds are available and needed.

a. High Volume Duplicator with Finishing		
Restricted Funds	162,000	
b. High Volume Production Publisher		
Restricted Funds	295,000	

3. Department for Facilities Management

a. Emergency Repair, Maintenance and Replacement Fund		
Investment Income	1,500,000	2,050,000
b. Capital Construction and Equipment Purchase Contingency Fund		
Investment Income	1,500,000	500,000
c. Miscellaneous Projects		
Investment Income	700,000	700,000
d. Council of State Government Building-Reauthorization		
e. Capitol Annex Roof Replacement		
Surplus Bond Proceeds	450,000	
Capital Construction Surplus	50,000	
f. Capitol Annex - Relocation of Executive Agencies		
Investment Income	721,000	141,000

4. Department for Information Systems

For the major equipment purchases displayed in this section as restricted funds supported projects, it is anticipated that these funds shall be transferred from the operating budget funds at such time as funds are available and needed.

a. 2 Disk Controllers @ $400,000 each		
Restricted Funds	800,000	
b. 12 Disk Storage Devices @ $370,000 each		
Restricted Funds	2,960,000	1,480,000
c. 3 Disk Storage Devices @ $310,000 each		
Restricted Funds	930,000	
d. 2 Disk Controller Cache Upgrades @ $370,000 each		
Restricted Funds	740,000	
e. 2 Disk Controller Cache Upgrades @ $190,000 each		
Restricted Funds		380,000

f. 2 Telecommunications Controllers @ $610,000 each		
Restricted Funds	610,000	610,000
g. Processor Complex Upgrade		
Restricted Funds		5,990,000
h. 2 Tape Library Systems @ $730,000 each		
Restricted Funds		1,460,000
i. Fiber Channel Director Subsystem		
Restricted Funds	730,000	
j. 6 Fiber Optic Connectors @ $80,000 each		
Restricted Funds	320,000	160,000
k. Database Coprocessor		
Restricted Funds		310,000
l. 2 Client/Server Coprocessors @ $310,000 each		
Restricted Funds	310,000	310,000
m. Laser Printer Complex		
Restricted Funds	250,000	
n. Text Delivery System Upgrade		
Restricted Funds	310,000	
o. Optical Disk Server		
Restricted Funds	1,210,000	
p. Solid State Storage		
Restricted Funds	120,000	
q. Vector Mathematics Coprocessor		
Restricted Funds		240,000
r. Micrographics Replacement Reauthorization		

E. GOVERNMENT OPERATIONS

Budget Unit	1992-93	1993-94
1. Secretary of State		
a. Computer Upgrade-Reauthorization		
Capital Construction Surplus Additional	49,000	
2. Department of Agriculture		

a. Airplane Engine		
Capital Construction Surplus		61,000
3. State Board of Elections		
a. Computer Upgrade-Reauthorization		
Capital Construction Surplus Additional	34,000	
4. Department of Military Affairs		
a. Miscellaneous Maintenance		
Investment Income	900,000	900,000
Federal Funds	151,000	137,000
Total	1,051,000	1,037,000
b. Helicopter Maintenance and Repair		
Investment Income	235,000	265,000
c. National Guard Armory - Benton-Reauthorization		
d. Shelbyville Co C 3rd BN 123d Armory-Reauthorization		
e. Airport Sideslope Excavation		
Capital Construction Surplus	17,000	
Federal Funds	302,000	
Total	319,000	
5. Department of Personnel		
a. IBM AS/400 Computer		
Federal Funds	25,000	15,000
6. Kentucky Retirement Systems		
a. IBM AS/400 Computer		
Restricted Funds	80,800	80,800

F. HIGHER EDUCATION

Budget Unit	1992-93	1993-94
1. Kentucky Higher Education Assistance Authority		
a. *Computer Processor		
Restricted Funds	507,000	
b. Autodialing Equipment		
Restricted Funds	206,000	

2. Council on Higher Education			
a. Life Safety Projects Bond Pool			
Bond Fund		10,000,000	
b. University Restricted Funds Bond Projects Pool			
Agency Bonds		23,000,000	
3. Eastern Kentucky University			
a. E&G Life/Safety Projects			
Restricted Funds		2,000,000	
b. Air Conditioning (6 Residence Halls)			
Restricted Funds		1,500,000	
c. Minor Projects			
Restricted Funds		3,222,000	4,776,000
d. Fire/Life Safety - Auxiliary Services Reauthorization			
e. Parking Garage			
Restricted Funds		5,000,000	
f. Heat Plant Boiler			
Restricted Funds		400,000	
g. Utility Upgrade			
Restricted Funds		400,000	
h. Fire Science Building Reauthorization			
Restricted Funds Additional	480,600		
i. Property Acquisitions			
Restricted Funds		1,500,000	
j. Alumni Coliseum Roof Replacement			
Restricted Funds		550,000	
4. Kentucky State University			
a. Bradford Hall and Academic Services Building - Life Safety			
Restricted Funds		294,000	
b. Deferred Maintenance Pool			
Restricted Funds		706,000	
c. Hume Hall HVAC Repair/Roof Structure Replacement			
Restricted Funds		600,000	

d. Student Center - Renovate Mechanical System		
Restricted Funds	2,208,000	
e. Jordan Maintenance Complex Addition		
Restricted Funds	1,250,000	
f. Kain Ford Property-Reauthorization		
g. Aquaculture Program Facility-Reauthorization		
h. Athletic Facility Exterior Renovation		
Restricted Funds	350,000	
i. Aquaculture Research Facility at Land Between the Lakes		
Federal Funds	300,000	
j. Aquaculture Pond Additions - Frankfort		
Federal Funds	500,000	
k. Campus Roads/Walks/Landscaping		
Restricted Funds	300,0000	300,000
5. Morehead State University		
a. Fire/Life Safety E&G Projects		
Restricted Funds	1,100,000	
b. Lappin Hall Renovation, Phase II-Additional		
Restricted Funds	4,500,000	
c. Protect Investment in E&G Facilities		
Restricted Funds	825,000	
d. Highway 60 Bypass Construction Impact		
Restricted Funds	4,000,000	
e. E&G Facilities - Mechanical/HVAC Repairs		
Restricted Funds	2,805,000	
f. Sanitary Sewer Replacement		
Restricted Funds	500,000	
g. Land Acquisition Related to Campus Master Plan		
Restricted Funds	1,000,000	
h. Construction of Plant Facilities Phase I		
Restricted Funds	300,000	
i. New Student Housing (Built-to-Suit Lease)		

j. Campus Landscaping/Street Realignments/Improvements		
Restricted Funds		240,000
k. Housing Systems Improvements Reauthorization		
l. Student Housing Project Reauthoriztion		
6. Murray State University		
a. Fire/Life Safety E&G Facilities		
Restricted Funds	1,401,000	
b. Blackburn Science Renovation - Life Safety		
Restricted Funds	10,800,000	
c. E&G Facilities Roof Replacements		
Restricted Funds	500,000	
d. Exposition Center Renovation		
Restricted Funds	500,000	
e. E&G Minor Projects HVAC/Mechanical		
Restricted Funds	177,000	618,000
f. Old Fine Arts Renovation-Reauthorization		
g. Breathitt Veterinary Center HVAC Replacement Reauthorization		
h. Underground Steam Condensate Lines Replacement-Reauthorization		
i. Minor Projects Pool (E&G)		
Restricted Funds	877,000	813,000
j. Minor Projects Pool (H&D)		
Restricted Funds	500,000	496,000
k. Business Interactive TV Center		
Restricted Funds	300,000	
l. Business Building-First Floor Renovation		
Restricted Funds	200,000	
m. Winslow Cafeteria Renovation-Reauthorization		
Restricted Funds Additional	32,000	
n. Stewart Stadium Artificial Turf Replacement Reauthorization		
Restricted Funds Additional	50,000	
o. BSA Museum Renovation, Phase III-Reauthorization		
p. Exposition Center Roof Replacement-Reauthorization		

7. Northern Kentucky University		
a. Ceramics/Sculpture Building - Life Safety		
Restricted Funds		1,500,000
b. E&G Facilities Roof Replacements (4)		
Restricted Funds	600,000	
c. Minor E&G Projects Pool		
Restricted Funds	600,000	
d. Nunn Hall Chiller Replacement		
Restricted Funds	250,000	
e. Land Acquisition		
Restricted Funds		1,500,000
f. Residential Village - Lease/Purchase		
Restricted Funds	351,000	1,120,000
g. Natural Sciences Building - Design/Planning Funds		
Restricted Funds	1,500,000	
8. University of Kentucky - University System		
a. Cooling Plants Repair/Replacement - Phase I		
Agency Bonds (1991-92—$3,600,000)		
b. Residence Halls Renovation		
Agency Bonds (1991-92—$2,866,000)		
c. Medical Research Expansion Space		
Agency Bonds (1991-92—$5,500,000)		
d. Life Safety/Environmental Health/Handicapped Access		
Restricted Funds	18,166,000	
e. Hazardous Materials Facility - Life Safety		
Restricted Funds	1,600,000	
f. E&G Facilities Roof Replacements		
Restricted Funds	1,888,000	
g. E&G Facilities Deferred Maintenance Pool		
Restricted Funds	5,720,000	
h. Cooling Plant #1 Primary Pumping		
Restricted Funds	600,000	

i. Connection of Cooling #1 and #3		
Restricted Funds	290,000	
j. Cooling Plant #1 Expansion		
Restricted Funds	7,000,000	
k. Electrical Substation #1 Switching		
Restricted Funds	500,000	
l. 4KV to 12KV Electrical Conversion		
Restricted Funds	1,500,000	
m. Lease - Rural Health Initiative Facility		
Restricted Funds	260,000	273,000
n. Commonwealth Library at the University of Kentucky - Phase I		
Restricted Funds	12,000,000	
o. Patterson Office Tower Elevators Renovation Phase II		
Restricted Funds	800,000	
p. Accreditation Requirements - Architecture		
Restricted Funds	7,100,000	
q. Renovation of Historic Buildings		
Restricted Funds	11,540,000	
r. Memorial Coliseum Renovation		
Restricted Funds	1,750,000	
s. King Alumni Building Renovation		
Restricted Funds	283,000	
t. Shively Renovation		
Restricted Funds	1,400,000	
u. AG Science Building South - ACF Upgrade		
Restricted Funds	700,000	
v. Communications Disorders Program Space		
Restricted Funds	400,000	
w. Agriculture Chilled Water Main		
Restricted Funds	850,000	
x. Limestone Chilled Water Main		
Restricted Funds		1,100,000

y. Steam Line Expansion Rose Street		
Restricted Funds		600,000
z. North Campus Chilled Water Main		
Restricted Funds		2,000,000
aa. Energy Conservation Medical Center		
Restricted Funds	500,000	
bb. Pesticide Preparation/Storage Building - Caldwell County-Reauthorization		
Restricted Funds Additional	221,000	
cc. Tennis Stadium		
Restricted Funds	1,576,000	
dd. Pesticide Preparation/Storage Building - Fayette County-Reauthorization		
Restricted Funds Additional	221,000	
ee. Career Planning and Placement Center-Reauthorization		
Restricted Funds Additional	605,000	
ff. Development Addition		
Restricted Funds	465,000	
gg. Plaza Orthopedics Renovation-Reauthorization		
Restricted Funds Additional	750,000	
hh. Plaza General Medicine Renovation-Reauthorization		
Restricted Funds Additional	400,000	
ii. Life Safety/Environmental Health/Handicapped Access - H&D		
Restricted Funds	353,000	
jj. Life Safety/Environmental Health/Handicapped Access - Fraternities/Sororities		
Restricted Funds	600,000	
kk. Keeneland Hall Windows Replacement		
Restricted Funds	208,000	
ll. Parking Structure-Reauthorization		
mm. Land Acquisition-Reauthorization		
nn. Fraternity and Sorority Renovation-Reauthorization		
oo. Scovell Hall Renovation-Reauthorization		
pp. Reynolds Warehouse #1-Reauthorization		
qq. Coldstream Research Campus-Infrastructure Phase-I		
Restricted Funds	407,000	818,300

rr. Leased Space - College of Pharmacy		
Restricted Funds	130,000	275,000
ss. Parking Lot Renovation-Commonwealth Stadium		
Restricted Funds		
(1991-92—$850,000)		
9. University of Kentucky - Community College System		
a. Life Safety/Environmental Health/Handicapped Access		
Restricted Funds	3,310,000	
b. Paducah - Carson Hall Renovation		
Restricted Funds		2,300,000
c. Paducah - Crisp Building Renovation		
Restricted Funds	500,000	
d. Ashland - Classroom Building		
Capital Construction Surplus		310,000
e. Hazard - Student/Performing Arts/Conference Center		
Capital Construction Surplus		750,000
f. Jefferson Downtown - Broadway Building 1st Floor Renovation		
Restricted Funds	260,000	
g. Lexington - Oswald Building Roof Replacement		
Restricted Funds	465,000	
h. Paducah - Waller/Rosenthal Renovation		
Restricted Funds	435,000	
i. Southeast - Newman Hall Renovation		
Restricted Funds	400,000	
j. Maysville - Administration Building Renovation		
Restricted Funds		400,000
k. Madisonville - Renovation of LRC Area		
Restricted Funds		300,000
l. Henderson - Administration Building Renovation		
Restricted Funds		400,000
m. Madisonville - Student/Auditorium Parking		
Restricted Funds	520,000	

n. Lexington Community College - Leased Space		
Restricted Funds	270,000	270,000
10. University of Kentucky - Hospital		
a. Endoscopy Suite Renovation		
Restricted Funds	1,200,000	
b. Diagnostic Services III-Reauthorization		
c. Incinerator Replacement		
Restricted Funds	1,600,000	
d. Primary Power/Emergency Power Replacement Reauthorization		
Restricted Funds Additional	300,000	
e. Nursing Unit Modification IV		
Restricted Funds		550,000
f. Transportation Systems Renovation I		
Restricted Funds	500,000	
g. Cardiac Catheterization Renovation		
Restricted Funds	2,100,000	
h. Nuclear Medicine Renovation		
Restricted Funds	1,600,000	
i. Radiation Medicine Renovation		
Restricted Funds	2,100,000	
j. Data Management Upgrade		
Restricted Funds		220,000
k. Diagnostic Services Upgrade V		
Restricted Funds		650,000
l. Building and Site Upgrade I		
Restricted Funds		430,000
m. Materials Handling/Storage/Distribution Facility		
Restricted Funds	800,000	
n. Outpatient Screening Facility I		
Restricted Funds		1,600,000
o. Implement Land Use Plan/Land Acquisition		
Restricted Funds	2,100,000	

p.	Housestaff On-call Quarters Renovation		
	Restricted Funds	600,000	
q.	Safety/Environmental Protection I		
	Restricted Funds	2,700,000	
r.	Markey 4		
	Restricted Funds	4,200,000	
s.	Vacated Labor and Delivery Suite		
	Restricted Funds	1,100,000	
t.	Neuroangiography Equipment		
	Restricted Funds	2,550,000	
u.	Linear Accelerator		
	Restricted Funds	2,150,000	
v.	Cardiac Cath Lab		
	Restricted Funds	2,400,000	
w.	Clincial Labaratory System		
	Restricted Funds	2,000,000	
x.	Nursing Information System		
	Restricted Funds	2,500,000	
y.	General Angiographic System		
	Restricted Funds		1,950,000
z.	Linear Accelerator		
	Restricted Funds		1,650,000
aa.	Clinical Information System		
	Restricted Funds		1,200,000
bb.	CT Scanner		
	Restricted Funds		1,650,000
cc.	Critical Care Center Shell		
	Restricted Funds	6,400,000	
dd.	Limited Stay Facility		2,700,000
ee.	Outpatient Surgery Center		
	Restricted Funds		3,200,000

11. University of Louisville

a. "K" Building - Life Safety (Phase I)		
Restricted Funds	2,552,000	
b. Chemistry Building Ventilation System - Life Safety		
Restricted Funds	249,000	
c. Life Safety/Accessibility and Code Compliance		
Restricted Funds		9,877,000
d. Natural Sciences (Rebuild Parapet Walls)		
Restricted Funds	440,000	
e. Roof Replacements Buildings #55A and #55C		
Restricted Funds	550,000	
f. "K" Building - Renovation (Phase II)		
Restricted Funds	4,825,000	
g. Steam and Chilled Water Plant Renovation		
Restricted Funds	3,848,000	
h. Land/Building Acquisition (HSC)		
Restricted Funds	3,973,000	
i. Purchase Property for Support Services/Parking		
Restricted Funds	1,535,000	
j. University Park - Field House		
Restricted Funds	11,279,000	
k. University Club Courtyard Enclosure		
Restricted Funds	446,000	
l. Student Health/Counseling Building Renovation		
Restricted Funds	354,000	
m. Sherman Apartments Demolition and Parking		
Restricted Funds	363,000	
n. Carmichael Building Renovation		
Restricted Funds		2,300,000
o. University Park - Soccer and Field Hockey Stadium		
Restricted Funds		1,860,000
p. University Park - Natatorium		
Restricted Funds		11,878,000

q. Information Center (East)		
Restricted Funds		274,000
r. University Dorms-Medical/Dental Apartments		
Restricted Funds	1,940,000	
s. University Dorms-University Tower Apartments		
Restricted Funds	2,346,000	
t. University Dorms-Stevenson Hall		
Restricted Funds		676,000
u. Support Services Land Acquisition (Northeast)		
Restricted Funds		3,500,000
v. Medical Office Building		
Restricted Funds		11,940,000
w. University Park - Indoor Tennis		
Restricted Funds		3,650,000
x. Ford Hall Renovation		
Restricted Funds		865,000
12. Western Kentucky University		
a. Life Safety Projects E&G		
Restricted Funds	500,000	
b. Elevator Repairs/Renovations - Life Safety		
Restricted Funds	200,000	
c. Milking Parlor Facility		
Restricted Funds	420,000	
d. Roof Replacements		
Restricted Funds	202,000	
e. Exterior Renovations - E&G Buildings		
Restricted Funds		600,000
f. Renovation of Academic Complex		
Restricted Funds		1,000,000
g. Academic Athletic Building #2 Renovation		
Restricted Funds		1,500,000
h. E&G Facilities - Repair/Replace Mechanical Systems		
Restricted Funds	855,000	

i. Repair Underground Electrical Systems		
Restricted Funds	120,000	
j. Property Acquisition		
Restricted Funds	800,000	
k. Intramural/Recreation Fields Improvements		
Restricted Funds		350,000
l. Repair/Replacement of Walks, Parking Lots		
Restricted Funds	250,000	
m. Exterior Renovations - H&D Buildings		
Restricted Funds		230,000
n. Cherry Hall Building #1 Exterior Renovation		
Restricted Funds		550,000

EQUIPMENT LISTING

13. Eastern Kentucky University

Funding for the following Eastern Kentucky University equipment purchases will be from restricted funds.

a. Connectivity	1,500,000	
b. Bus	250,000	
c. Accounting & Payroll System Upgrade	250,000	
d. Transmitter WEKU FM	95,000	
e. Uninterruptable Power Supply	100,000	
f. Environmental Control System	50,000	
g. Laser Graphics Projector	80,000	
		1993-94
h. Carbon Dioxide Laser	94,000	
i. X-Ray Fluorescence Unit		105,000
j. Fourier Transformer Spectrometer	135,000	

14. Morehead State University

Funding for the following Morehead State University equipment purchases will be from restricted funds.

a. Computer Integrated Manufacturing	125,000
b. Software & Hardware Update CAD/CAM	64,000
c. CD ROM Towers and Software	65,000
d. Library LS/2000 Automation Enhancement	110,000

e.	Research/Cytogenetics Microscope	70,000	
f.	Electrical Training Instructional Equipment	80,000	
g.	Diode Array/Liquid Chromatograph	65,000	
h.	Psychoneurological Evaluation Equipment	55,000	
i.	Education Technology Laboratory Equipment	51,000	
j.	Microbial Identification System	70,000	
k.	Automated Library Service System		71,000
l.	Paint Spraying Robot		80,000
m.	Physical Sciences Microscope		100,000
n.	High-Eff & Purity Gamma Spectrometer		80,000
o.	Materials Testing Unit		90,000
p.	Interactive Distance Learning Equipment	1,500,000	
q.	Academic System Upgrade	240,000	
r.	Microcomputers	1,200,000	
s.	Facility Mngt./CAD Computer Equipment	60,000	
t.	Administrative System Conversion	95,000	
u.	Video Network	1,950,000	
v.	High Speed Laser Printer	92,000	
w.	Printing Equipment	640,000	
x.	Bulldozer	60,000	
y.	Tour Bus	200,000	
z.	Tour Bus	330,000	
aa.	Motor Generator System		94,000
bb.	Optical Scanning System		55,000
cc.	Garbage Packer Truck		55,000
dd.	Network Server	480,000	

15. Murray State University

Funding for the following Murray State University equipment purchases will be from restricted funds.

a.	High Rise Fire Equipment (Truck) - Life Safety	600,000
b.	Telelearning Network	436,000
c.	Electrophoresis System	50,000
d.	Automated Susceptibility System	70,000
e.	Electron Microscope (transmission)	175,000

f. Library Online System Mini-Computer	286,000	
g. Front End Loader	60,000	
h. Farm Tractors		51,000
i. TV Studio Equipment Replacement		61,000
j. Recording/Playback Lab, Etc.		165,000

16. Northern Kentucky University

Funding for the following Northern Kentucky University equipment purchases will be from restricted funds.

a. Ultracentrifuge	56,000	
b. High Speed Copier/Finisher	180,000	
c. Point-of-Sale System	26,000	26,000
d. Direct Access Storage Device	310,000	
e. Magnetic Tape Drives	280,000	
f. Data Communications/Voice Mail	59,000	59,000
g. Laser Printer	80,000	
h. ID Card Management System	80,000	

17. University of Kentucky - Main Campus

Funding for the following University of Kentucky equipment purchases will be from restricted funds.

- High Volume Copier	146,000
- Ultracentrifuge with Rotor Heads	80,000
- Hybrid 400 AMU MS/MS Module	200,000
- Induct. Coupled Plasma Mass Spectrometer	300,000
- High Resolution Mass Spectrometer	776,000
- Thermospray Extended Mass Range	175,000
- Shallow Auger & Core Drill Rig	100,000
- Oxidizer/Scintillation Spectrometer	55,000
- LS/MS Cesium Ion Gun Source	50,000
- Mass Spectrometry	375,000
- Series 2 Bridgeport Vertical Mill	75,000
- SD/FI Mass Spectrometer Upgrade	90,000
- Isotope Mass Spectrometer	285,000
- Lighting System	237,000
- Concept 4 Sector Expansion Module	450,000

Mossbaver Spectrometer	75,000
Cell Culture Transformation Unit	80,000
Console Upgrade	50,000
Laser-Based Adv. Proc./Mat. Analyz.	154,000
Compton Supressed Germanium Detect.	80,000
Concept Hybrid 2000 AMU MS/MS Mod.	160,000
IN-SITU X-Ray Diffraction	175,000
Automated Microinjection System	96,000
Thermospray	65,000
Gas Chromatograph/Mass Spectrometer	65,000
Betascope 603 Blot Analyzer System	79,000
Optical Fiber	60,000
Image Analysis System	75,000
Ultramicrotome/ Accessories	55,000
Circular Dechroism	125,000
AXS Automatic X-Ray Spectrometer	100,000
Recording Studio Equipment	127,000
Fourier TI Spectrometer	70,000
X-Ray Powder Diffractometer System	190,000
Automated DNA Analysis System	98,000
Dual Beam Spectrofluorometer	55,000
Scanning Electron Microscope	146,000
Vibrating Sample Magnetometer	110,000
IR Spectrometer	100,000
X-Ray Fluorescence System	175,000
Prep HS Centrifuge with Rotors	70,000
Cadmium Telluride Spectrometer	60,000
Marquee	100,000
Cell Sorter (M&I)	202,000
Atomic Absorption Spectrophotometer	75,000
High Pressure Liquid Chromatograph	51,000
Gas Chromatograph Mass Spectrometer	60,000
Cryolathe	51,000

-	Log Skidder	70,000	
-	Biochemical Counter	51,000	
-	Envir. controlled cooker/processor	60,000	
-	Imaging System for MRISC	56,000	
-	X-ray Laue Unit-Single Crystal	150,000	
-	Pathology Microscope		80,000
-	Ultracentrifuge and Rotors	55,000	
-	Dental Laser System	60,000	
-	Vision System	53,000	
-	Audiology Diagnostic System	55,000	
-	Dual Oven Capillary Gas Chromatograph	65,000	
-	EMG Physiology Workstation	50,000	
-	Betascope Blot Analyzer	59,000	
-	Mass Spectrophotometer	66,000	
-	High Temp. Optical Microscope	105,000	
-	Metabolic Cart w/Canopy	55,000	
-	Photo Light Microscope	50,000	
-	Diag. Imaging Physic Training Sys.	61,000	
-	Mass Spectrophotometer	60,000	
-	I30 Biomechanical System	66,000	
-	On-Line Monitor- Radioactiv. GC-HPLC	51,000	
-	Ultracentrifuge	55,000	
-	Jointed Arm Robot & Control System	67,000	
-	Gas Chron. & Nitrogen Phosphorus Dt	56,000	
-	Auto. Hematology System, Coulter Jr	85,000	
-	Whole Body Composition Analyzer	136,000	
-	20 W Ar-Ion Laser	65,000	
-	Laser Extensometer 3000 & access.	55,000	
-	Emergency Response Communic. System	550,000	
-	Instructional Computer Upgrade	400,000	
-	Department Computer Systems	950,000	75,000
-	Imaging Systems	300,000	150,000
-	Printing Systems and Services	203,000	

-	Satellite Digital Video	52,000	
-	Routing Switcher	51,000	
-	Postal Sorting Equipment	300,000	
-	Minicomputer Upgrade 125,000		
-	VMX Upgrade	185,000	
-	Storage Management System	800,000	500,000
-	Sun 3/60 Upgrade	125,000	
-	High Volume Copier - Lease	27,000	27,000
-	Printing Systems		200,000
-	Holographic System w/Image Analyzer	110,000	
-	Contrl. Atmosphere Sintering Furn.	60,000	
-	40 Ton Testing Machine	77,000	
-	CD Rom System for Agriculture	60,000	
-	Interactive Info System for Ag	70,000	
-	NSF Fileserver for Arts & Sciences	150,000	
-	Dept Computer Upgrade for A&S	225,000	
-	DEC Server for Arts and Sciences	70,000	
-	Network Upgrade for Arts & Sciences	60,000	
-	Research Dept Processor for Engr	125,000	
-	CD - ROM Servers for Engineering	120,000	
-	Research Workstations for Engr.	325,000	
-	Optical Disk Server for Engineering	180,000	
-	Dept Processor Auxiliary Services	63,000	
-	Optical Disk Jukebox System	180,000	
-	Large Format Color Scanner	60,000	
-	Increase Disk Drive Capacity	80,000	
-	CAD/CAM System for Coll. of Dent.	184,000	
-	Steam Autoclave & Cart		86,000
-	UV/Visible Spectrophotometer		65,000
-	Ethelene Oxide Sterilizer		98,000
-	Mild.-Temp. Carbon Syn. Reactor		130,000
-	Centrifuge		51,000
-	Research Computing Upgrade		650,000

-	Front End Processor		300,000
-	Satellite Transmitter		175,000
-	Campus Prepress Fileserver		140,000
-	Digital Video Switcher		60,000
-	Copier Upgrade for King South		80,000
-	Plotter for Engineering		50,000
-	Dept. Processor for Engineering		100,000
-	Dept. Processor for Student Affairs		50,000
-	Telephone Registration Processor		85,000
-	Optical Disk Record Storage		60,000
-	Dept. Processor for Extension		200,000
-	Image Workstations & Printers		90,000
-	Minicomputer Upgrade		500,000
-	Telecommunications Processors		100,000
-	Minicomputer System		150,000
-	VAX Computer for Coll. of Pharmacy	150,000	
-	VAX Workstations for Coll. of Pharm	100,000	
-	Super Minicomputer	1,040,000	
-	Compressed Video (Hazard)	125,000	
-	Compressed Video (Morehead)	125,000	
-	Compressed Video (Bowling Green)		50,000
-	Protein Sequencer - Mol. Bio. & Bio	76,000	
-	Peptide Synthesizer	61,000	
-	DNA Sequencer	191,000	
-	Fermentation Apparatus (200L)		201,000
-	Amino Acid Analyzer		100,000
-	Ultracentrifuge	60,000	
-	Ultracentrifuge w/Rotor		120,000
-	DNA Synthesizer	71,000	

18. University of Kentucky - Community College System

Funding for the following University of Kentucky Community College System equipment purchases will be from restricted funds.

a.	Upgrade AS-400 Minicomputer	125,000

b. Minicomputer		200,000
c. Minicomputer	200,000	
d. Minicomputer		200,000
e. Communication System	95,000	
f. Communication System	95,000	

19. University of Kentucky - Hospital

Funding for the following University of Kentucky - Hospital equipment purchases will be from restricted funds.

a. Cardiac Laser	250,000
b. Multi-phasic Chemistry Analyzer	250,000
c. Endoscopic Ultrasound	300,000
d. Electrophysiology Lab	450,000
e. Portable Fluoroscopy	150,000
f. Fluoroscopic Unit	550,000
g. Echo Unit	200,000
h. Neurology EMG EEG Analyzer	175,000
i. Holter System	100,000
j. CT Scanner	1,600,000
k. Disk Upgrade	950,000
l. Materials Management System	400,000
m. Time & Attendance Record	320,000
n. Upgrade Telecommunications Cabling	700,000
o. Tape Upgrade	300,000
p. Printing Capacity Upgrade	440,000
q. Expand Decision Support	500,000
r. Automated Urinalysis System	200,000
s. Nuclear Medicine Camera	300,000
t. Ultrasound Scanner	320,000
u. Intravascular Ultrasound	150,000
v. Surgical Laser	200,000
w. Surgical Microscope	150,000
x. Radiographic Unit	330,000
y. Hematology Analyzer	300,000

z. Automated Microbiology System	150,000	
aa. Radiographic Generator	200,000	
bb. Heart Station	100,000	
cc. Vascular Ultrasound	400,000	
dd. Treatment Planning System	780,000	
ee. Transesophageal Color Echo Doppler	200,000	
ff. Diagnostic Radiology Unit	250,000	
gg. Toxicology Analyzer	100,000	
hh. Radiology Film Processing Unit	160,000	
ii. Pharmaceutical Auto Dispensing Unit	200,000	
jj. Cobalt Unit	470,000	
kk. Aeromedical Helicopter	1,500,000	
ll. Ambulance-Emerg. Transport Vehicle	120,000	
mm. Automated Cytogenetic System		120,000
nn. OB Diagnostic System		300,000
oo. Neurologic Diagnostic Equipment		200,000
pp. Radiographic Unit		250,000
qq. Diagnostic Ultrasound		250,000
rr. Vascular Diagnostic Equipment		200,000
ss. Surgical Microscope		150,000
tt. Endoscopic Ultrasound		250,000
uu. Multiphasic Chemistry Analyzer		200,000
vv. Emergency Generator		400,000
ww. Cardiac Echo System		300,000
xx. Laboratory Automated Analyzer		200,000
yy. Fluoroscopic Unit		700,000
zz. Disk Upgrade		550,000
aaa. Mass Storage Device		300,000
bbb. Nursing Information Systems Expan.		500,000
ccc. Expand Decision Support		500,000
ddd. Upgrade Telecommunications Cabling		300,000
eee. Tape Capacity Upgrade		100,000
fff. Patient Collection System		170,000

ggg.	Nuclear Medicine Camera	480,000
hhh.	Endoscopic System	100,000
iii.	Hematology Analyzer	300,000
jjj.	Automated Microbiology System	200,000
kkk.	Toxicology Analyzer	150,000
lll.	Hyperbaric Chamber	150,000
mmm.	Hyperthermia Unit	250,000
nnn.	Incinerator Upgrade	250,000
ooo.	3-D Imaging System	300,000

20. University of Louisville

Funding for the following University of Louisville equipment purchases will be from restricted funds, except as indicated.

-	Color Imaging System	150,000	100,000
-	Laser Printer for Engineering	60,000	
-	Vector Processor	425,000	425,000
-	Uninterruptable Power Source	220,000	
-	Digital Microwave Data Links	125,000	
-	Specialized Central Processing Unit	500,000	
-	Mini Computer	130,000	
-	Array Processor	155,000	
-	Channel Upgrade for CPU	200,000	
-	New Radio System	290,000	
-	Central Alarm Monitoring System	70,500	
-	Auto. Reporting/ Information Manage.	60,000	
-	Closed Circuit TV Security System	64,500	
-	Voice Response System	130,000	
-	Ultra-High Vacuum System	95,000	
-	Computer (Appointment/Registration)	750,000	
-	Athletic Team Bus	200,000	
-	Scoreboard	150,000	
-	Pulsed YAG Laser	100,000	
-	Fourier Transform Infrared/Raman Sp	185,000	

(Federal Funds, $92,500)

-	FM Transmission	85,500	
	(Federal Funds, $42,800)		
-	Engineering/Scientific Processor Upgrade	600,000	
-	Two-color Press		300,000
-	Digital Communication Network		400,000
-	High Speed Duplicators		250,000
-	Color Copier/Printer		125,000
-	Ultracentrifuge		65,000
-	Auto. B-isotope Radiation Detection		80,000
-	ABI Oligonucleotide Synthesizer		52,000
-	Liquid Chromato./Mass Spectro./Sys.		260,000
-	Fluorescent Micro. & Photo. System		51,300
-	Superconducting NMR Magnet		162,600
-	CHN Analyzer/Auto Atomic Absorption		70,000
-	Laser Raman Spectrometer		180,000
	(Federal Funds, $90,000)		
-	Capillary Electrophoresis		80,000
-	Electron Paramagnetic Resonance Sp.		205,000
	(Federal Funds, $102,500)		
-	RISC-based Graphics Workstation		150,000
-	Axial Torsional Tester		185,000
-	Water Cooling Tower System		50,000
-	2D Laser Upgrade		74,000
-	CNC Grinding Machine		159,000
-	Capillary Electrophoresis System		53,000
-	Nucleotide Synthesizer		50,000
-	Clinical/Research Sampling Unit		80,000
-	Hematology Analyzer		68,500
-	Mid-Range Computer System		200,000
-	Computer File Server		200,000
-	Voice Automation Enhancements		200,000
-	Mainframe Imaging System		100,000
-	Disk Storage Subsys. (& Controller)		500,000

-	Video Editing System		50,000
-	Satellite Uplink		150,000
-	Mainframe Memory		332,000
-	Mass Storage System		500,000
-	Confocal Microscope System		83,500
-	Confocal Microscope Unit		83,500
-	Peptide Sequencer		140,000
-	Utetic Microvascular Tracing System		51,900
-	Programmable Ultracentrifuge		68,300
-	Mobile Mammography Screening Van		250,000
-	X-Ray Diffractrometer Attachments		52,000
-	Environmental Chamber		105,000
-	Neural Network Simulator		100,000
-	Force Platform		60,000
-	Wide-bed Plotter		50,000
-	Spectrometer (UV and Visible)		50,000
-	File Server		150,000
-	High PAI Workstation		132,000
-	High Performance Computational Ws		91,500
-	Parallel Computing System		154,000
-	Workst. for Superconductivity Study		71,000
-	Argon Ion Laser		71,500
-	Teaching Grade NMR Spectrometer		111,100
-	High Resolution Mass Spectrometer		445,500
-	FTIR Spectrometer: System Update		78,100
-	Microwave Communications System		100,000
-	Studio Cyclorama		75,000
-	Four Tower Web Press		200,000
-	Telecommunications System		2,000,000
-	Mail Processing System		300,000
-	47 Passenger Highway Bus		200,000
-	Scanning Electron Microscope	290,000	
-	Confocal Microscope	160,000	

-	STM/ATM	100,000
-	Mainframe Memory	332,000
-	Disk Storage Subsys. (& Controller)	750,000
-	Studio TV Cameras	300,000
-	Routing Switcher	70,000
-	Engineering/Scientific Processor Up	300,000
-	Perfect Binder	100,000
-	Two-color Press	300,000
-	Universal Testing Machine	277,500
-	Radiographic/ Fluoroscopic X-Ray	250,000
-	Interactive Laser Cytometer	325,000
-	Automatic Recording Spectrophoto.	84,000
-	High Pressure Liquid Chromatography	55,000
-	300 MHz NMR Spectrometer	246,000
-	Image Analysis/ Radioactive Imaging	93,500
-	Dual Channel Autoanalyzer	55,000
-	Fourier-Transform Infrared Spectro.	66,500
-	Automated DNA Sequencer	99,000
-	Absorption Packed Column Experiment	80,000
-	Multi-Channel FFT Analyzer	60,000
-	RISC-based Graphics Workstation	150,000
-	Materials Testing System	184,500
-	Stereolithography Machine	97,000
-	Mini Computer	118,100
-	Advanced HPLC/FPLC Chromatography	81,000
-	Cation Measurement System	85,000
-	3-D Optical Scan/ Restorative Dent.	53,500
-	Radiographic Imaging Unit	140,800
-	Digital Communication Network	250,000
-	Digital Effects Generator	50,000
-	Envelope Press	70,000
-	High Speed Duplicators (2)	250,000
-	Codecs	210,000

-	High Volume Laser Printer System	400,000
-	Voice Mail System	200,000
-	Color Copier/Printer	125,000
-	Beta Editing System	120,000
-	Communications Processor	500,000
-	Mini Computer for HRM Spectrometer	60,000
-	Quantitative Fluorescence Spectro.	75,000
-	Laser Fluorimetric System	103,800
-	Intravital Microscopy Video Data	67,800
-	Remote Transcription Network	75,000
-	Animal Irradiator	154,000
-	Nucleic Acid Extractor	55,000
-	Datacube Image Analyzer	120,300
-	Tissue Culture Sterilization Equipment	56,000
-	Mammography Equipment	75,000
-	VSMC Performance Analyzer	126,700
-	Advanced Control Systems Experiment	60,000
-	Ultra-Fast Tuneable Dye Laser	250,000
-	Expert Vision System	100,000
-	Network Analyzer	50,000
-	Dielectrometry	52,900
-	Microwave Network Analyzer	350,000
-	Extruder	50,000
-	High Performance Liquid Chromato.	50,000
-	Scanning Tunnelling Microscope	140,000
-	Sub-Picosecond Streak Camera	186,000
-	Molecular Dynamics Software & Comp.	80,000
-	Tunnelling Electron Microscope	320,000
-	X-Ray Diffractometer	156,000
-	UV-Visible-Near IR Spectrophoto.	70,000
-	Computing Work. for X-Ray Facility	67,000
-	Graphic Design/Typesetter Machine	71,500
-	Computer Graphics Output Device	100,000

- Mid-Range Computer System	200,000	
- Computer File Server	200,000	
- Mainframe Imaging (2)	200,000	
- Ultracentrifuge	65,000	
- Data Collection Computer System	76,100	
- Microvessel Image Processing System	205,000	
- Microvessel Diagnostic Test System	146,800	
- Liquid Scintillation Analysis Sys.	136,500	
- Nailford Analysis System	113,000	
- Liver Biopsy Analysis System	89,000	
- Photo-Optics Design System	297,000	
- Small Artery Reactivity Diagnostic	124,500	
- Small Vein Leakage Diagnostic Sys.	121,500	

21. Western Kentucky University

Funding for the following Western Kentucky University equipment purchases will be from restricted funds.

a. Shuttle Buses	125,000	125,000
b. Digital Videotape Recorders		195,000
c. Packer Truck		65,000
d. TV Transmission System Improvement	500,000	
e. Satellite Uplink	350,000	
f. Upgrade Computer Center Processor		105,300
g. Campus Data Communication Network	989,000	
h. Disk Controller	217,000	

G. HUMAN RESOURCES

Budget Unit	1992-93	1993-94
1. Administration and Program Support		
a. Miscellaneous Projects		
Investment Income	400,000	400,000
b. Human Services Construction Pool-Reauthorization		
2. Department for Health Services		
a. Environmental Monitoring System (Maxey Flats)		
Capital Construction Surplus	165,000	165,000

3. Department for Mental Health/Mental Retardation		
a. Miscellaneous Projects		
Investment Income	475,000	400,000
b. Hazelwood ICF/MR Replacement		
1. Renovation of Hazelwood Facility-Reauthorization		
2. Three 8-bed ICF/MR Facilities-Reauthorization		
3. Fifteen Non-Medical Group Homes-Reauthorization		
c. Central State - HVAC Renovation		
Bond Fund	649,000	

Bonds cannot be sold until after Janaury 1, 1993.

4. Department for Employment Services		
a. Unemployment Insurance Scanner		
Federal Funds	925,000	
5. Department for Social Services		
a. Miscellaneous Projects		
Investment Income	400,000	300,000
b. Cardinal Treatment Center Vocational Building-Reauthorization		
c. Central Kentucky Re-ed		
Bond Fund		2,018,000
d. The Workers Information System (TWIST)		
Federal Funds		1,800,000
6. Department for Social Insurance		
a. Automated Management Eligibility System		
Restricted Funds	122,000	
Federal Funds	122,000	
Total	244,000	

H. JUSTICE/CORRECTIONS

Budget Unit	1992-93	1993-94
1. Justice-Department of State Police		
a. Henderson Post Radio Tower		
Capital Construction Surplus	200,000	

b. Minor Projects Fund		
Investment Income	150,000	150,000
c. Communications Controller		
Restricted Funds	82,000	
d. Laboratory Information Management System		
Federal Funds	115,000	550,000
e. Laboratory Robotics System		
Federal Funds	150,000	150,000
f. Air FLIR Installation Kit		
Federal Funds	55,000	
g. Bulk Tank Removal/Replacement		
Capital Construction Surplus	200,000	
2. Corrections-Department for Adult Institutions		
a. *Kentucky State Reformatory-Renovation/Expansion of Dorm 10 (New Dorm 15)		
Bond Fund	395,000	5,222,000
b. Muhlenberg County Prison - Phase I		
Bond Fund Additional (1991-92—$6,600,000)		
c. Muhlenberg County Prison - Phase II (Design Only)		
Bond Fund		1,707,000
d. *Roederer Correctional Complex - New Kitchen Dining Room		
Bond Fund	214,000	2,415,000
e. *Northpoint Training Center - Steamline Repair/Replacement		
Bond Fund	1,222,000	
f. Kentucky State Reformatory - Roof Replacements		
Surplus Bond Proceeds	1,767,000	
g. Kentucky State Penitentiary - Roof Replacements		
Surplus Bond Proceeds	331,500	
h. Correctional Industries - Eastern Kentucky Correctional Complex - Metal Office Furniture Component Systems		
General Fund	150,000	150,000
Restricted Funds	450,000	
Total	600,000	150,000

i. Correctional Industries/Tractor Trailer		
Restricted Funds	95,000	
j. Correctional Industries/Hydraulic Sheer		
Restricted Funds	60,000	
k. Correctional Industries/Powder Coat Painting System - Kentucky State Reformatory		
Restricted Funds	150,000	
l. Correctional Industries/Unitized Tool System - Kentucky State Reformatory		
Restricted Funds	65,000	90,000
m. Correctional Industries - Kentucky State Penitentiary-Waterfall Spray Booth		
Restricted Funds	55,000	
n. Correctional Industries - Continuous Forms Press		
Restricted Funds	55,000	
o. Correctional Industries - Luther Luckett Correctional Complex - Print Collator Replacement		
Restricted Funds	60,000	
p. Miscellaneous Maintenance		
Investment Income	1,000,000	1,000,000
q. Blackburn Correctional Complex - New Sewage Treatment Plant-Reauthorization		
r. Eastern Kentucky Correctional Complex - Raw Water Line-Reauthorization		
s. Kentucky Correctional Institute for Women - Segregation Unit, Design Only (Change of Fund Source)		
Surplus Bond Proceeds (1991-92—$197,000)		
t. Kentucky State Reformatory - Construction of New Dormitory 14/Demolition of Dormitory 7 Reauthorization		

*Bond projects which have debt service supported by state General Fund appropriations are authorized in the first year of the biennium so that preliminary work on the projects may proceed. However, debt service has been included beginning in the second year. Therefore, the sale of these bonds cannot take place until after January 1, 1993.

I. LABOR

Budget Unit	1992-93	1993-94
1. Office of the Secretary		
a. Departmental Computer System		
Restricted Funds	468,000	
b. Computer Imaging System		
Restricted Funds	344,000	341,000

J. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

Budget Unit	1992-93	1993-94
1. Department for Environmental Protection		
a. Gas Chromatograph/Mass Spectrometers (2)		
Capital Construction Surplus	91,000	
Investment Income		91,000
b. Inductively Coupled Plasma Spectrometer		
Capital Construction Surplus	43,000	
Investment Income		43,000
c. Atomic Absorption Spectrometer		
Capital Construction Surplus	26,000	
Investment Income		26,000
d. High Performance Liquid Chromatograph		
Capital Construction Surplus	18,000	
Investment Income		18,000
e. State-Owned Dam Repair-Reauthorization		
Investment Income Additonal	1,000,000	500,000
f. Federally-Funded Leaking Underground Storage Tanks		
Restricted Funds	87,000	
Federal Funds	780,000	
Total	867,000	
g. Mobile Air Toxics Monitoring Laboratory		
Restricted Funds	211,000	
Federal Funds	211,000	
Total	422,000	
h. State-Funded Leaking Underground Storage Tanks		
Restricted Funds	500,000	500,000
i. Hazardous Waste Assessment Fund		
Restricted Funds	2,100,000	2,100,000

The Solid Waste Revolving Loan and Grant Fund is transferred to the Finance and Administration Cabinet-Kentucky Infrastructure Authority.

Budget Unit	1992-93	1993-94
2. Department for Surface Mining Reclamation and Enforcement		
a. Kentucky Abandoned Mine Lands Reclamation Reauthorization		
Federal Funds Additional	16,500,000	16,000,000

3. Kentucky Nature Preserves Commission		
a. Nature Preserves Acquisition Fund-Reauthorization		
Restricted Funds Additional	61,100	
General Fund	100,000	
Total	161,000	100,000
4. Kentucky River Authority		
a. Renovation of Kentucky River Locks and Dams 5 thru 14		
Federal Funds	9,500,000	
Agency Bond	2,000,000	
Total	11,500,000	

K. PUBLIC PROTECTION AND REGULATION

Budget Unit	1992-93	1993-94

For the major equipment purchase displayed in this section as restricted funds or General Fund supported projects it is anticipated that these funds shall be transferred from the operating budget at such time as funds are available and needed. The total project cost shown does not reflect an addition to the operating budget appropriation.

1. Department of Insurance		
a. Upgrade Computing System		
Restricted Funds	120,900	123,000

L. REVENUE

Budget Unit	1992-93	1993-94
1. Remittance Processing Equipment		
Capital Construction Surplus	170,000	
2. Optical Scanner Equipment		
Capital Construction Surplus	170,000	
Investment Income		170,000
3. Mailing/Postage Equipment		
Capital Construction Surplus	235,000	
4. Mail Sorter/Processor Equipment		
Capital Construction Surplus		90,000
5. Micro/Photographic Equipment		
Investment Income		150,000

M. TOURISM

Budget Unit	1992-93	1993-94
The total non-General Fund project costs shown do not reflect additions to the operating budget appropriations.		
1. Parks		
a. Miscellaneous Major Maintenance		
Investment Income	3,700,000	3,700,000
b. Blue Licks - Multi Purpose Building Expansion and Guest Houses-Reauthorization		
c. Fort Boonesborough - Swimming Pool-Reauthorization		
d. Carr Fork Lake - Lodge Construction/Infrastructure Reauthorization		
e. Jenny Wiley - Golf Course Expansion-Reauthorization		
f. Grayson Lake - Beach Development-Reauthorization Fund Substitution		
Surplus Bond Proceeds	100,000	
g. Big Bone - Museum Design-Reauthorization-Fund Substitution		
Capital Construction Surplus	60,000	
h. Carter Caves - Conference Center/Infrastructure Reauthorization		
Surplus Bond Proceeds Additional	110,000	
i. Dale Hollow - Lodge Construction/Infrastructure-Reauthorization		
Bond Fund Additional	550,000	
Bonds may not be sold until after July 1, 1992		
j. Fuel Storage Tank Replacements		
Capital Construction Surplus	150,000	150,000
k. Pine Mountain - Sewage Plant Upgrade or City Connection		
Bond Fund	500,000	
Bonds may not be sold until after January 1, 1993		
m. Parks Revitalization		
Bond Fund	100,000,000	
Bonds may not be sold until after January 1, 1993		
2. Kentucky Horse Park		
a. Miscellaneous Major Maintenance		
Investment Income	250,000	250,000

3. State Fair Board		
a. Miscellaneous Major Maintenance		
Investment Income	625,000	312,500
Restricted Funds	150,000	462,500
Total	775,000	775,000
b. Exhibit Hall Expansion		
Bond Fund	22,000,000	
c. Access Road Completion		
Bond Fund	3,000,000	
4. Fish and Wildlife Resources		
a. Miscellaneous Minor Projects		
Restricted Funds	200,000	200,000
b. Education Center - Game Farm-Reauthorization		
c. Land Acquisition		
Restricted Funds	1,000,000	
d. Shanty Hollow Lake - Dam Repairs-Warren County		
Restricted Funds		767,000

N. TRANSPORTATION

Budget Unit	1992-93	1993-94
1. General Administration and Support		
a. Breathitt County Maintenance Facility Reauthorization		
b. Franklin County Maintenance Facility Reauthorization		
c. Lexington District Office Building-Reauthorization		
d. Perry County Maintenance Facility-Reauthorization		
Road Fund Additional	60,000	
e. Building Repairs and Painting		
Road Fund	325,000	325,000
f. Loadometer Station Maintenance and Repair		
Road Fund	200,000	200,000
g. Road Maintenance - Various Parks		
Road Fund	750,000	750,000

h. Stormwater Runoff Testing and Remediation		
Road Fund	50,000	150,000
i. Asbestos Abatement and Monitoring		
Road Fund	75,000	
j. Materials Testing Equipment		
Road Fund	150,000	100,000
k. Mailing Machine		
Road Fund		80,000
l. Montgomery County Maintenance Facility		
Road Fund		615,000
m. Barren County Maintenance Facility		
Road Fund		465,000
n. Various Environmental Projects		
Restricted Funds	1,500,000	1,500,000
(1991-92 $1,000,000)		
2. Department of Vehicle Regulation		
a. IVHS Equipment		
Road Fund	400,000	

O. WORKFORCE DEVELOPMENT

Budget Unit	1992-93	1993-94
1. Executive Policy and Management		
a. Minicomputer Replacement - Cabinet		
Federal Funds	127,000	
b. Miscellaneous Maintenance Pool		
Investment Income	850,000	935,000
2. Adult Technical Education		
a. HVAC System Replacement: Hazard State Vocational Technical School		
Surplus Bond Proceeds	266,000	
b. Industrial Technology Upgrade: Hazard State Vocational Technical School		
Bond Fund	2,125,000*	

*No bond sale shall occur prior to January 1, 1993.

3. Vocational Rehabilitation

    a. Bull-Honeywell Minicomputer Upgrade

Federal Funds	270,000

    b. Two Color Press - Perkins Rehabilitation Center

Federal Funds	55,000

In the event that any authorized capital construction and/or major equipment projects are canceled, any General Fund appropriated debt service for those same projects shall lapse to the credit of the General Fund. The Council on Higher Education subheading in this section includes projects entitled "Life Safety Projects Bond Pool" and "University Agency Fund Bond Projects Pool." For the Life Safety Projects Bond Pool, $10 million in projects are authorized to be funded from General Fund-supported bonds. For the University Agency Fund Bond Projects Pool, $23 million in projects are authorized to be funded from Restricted Funds-supported bonds. These two pools provide funding for individual projects to be recommended by the Council on Higher Education to the Secretary of the Finance and Administration Cabinet from the respective project listings previously identified and recommended by the Council for funding in the 1992-94 biennium. The provisions of KRS 45.750 through 45.992 notwithstanding, capital construction projects at institutions of higher education involving no state or federal funds, may be authorized between regular sessions of the General Assembly, providing that such projects receive prior approval from both the Council on Higher Education and the Secretary of the Finance and Administration Cabinet, and that the Capital Projects and Bond Oversight Committee receives prior notification.

Pursuant to the provisions of KRS 45.760(12), the Capital Construction and Equipment Purchase Contingency Fund may be used to advance funds to projects authorized to be financed by bonds and may be used to finance feasibility studies for future projects.

Roof repair or replacement projects shall be eligible for Emergency Repair, Maintenance, and Replacement Fund allotments, subject to the provisions of KRS 45.780.

Before any economic development bonds are issued, the proposed bond issue shall be approved by the Secretary of the Finance and Administration Cabinet and the State Property and Buildings Commission under the provisions of KRS 56.440-56.720. Administration of the Economic Development Bond program by the Secretary of Economic Development Cabinet is subject to the guidelines contained herein: 1) Project selection criteria are to be developed by the Secretary of Economic Development Cabinet. The criteria shall include, but not be limited to, such issues as: a project's job creation and/or job retention potential, degree of public and/or private local involvement, and potential project payback and/or contribution in retiring the associated debt obligation. 2) Projects of state agencies are not eligible for funding from this source unless expressly provided for in the Appropriation Act. 3) Project selection shall be documented when presented to the Secretary of Finance. Included in the documentation shall be the rationale for selection and expected economic development impact. 4) Following approval by the Secretary of the Finance and Administration Cabinet and the State Property and Buildings Commission, the project shall be presented by the Economic Development Cabinet to the next regularly scheduled Capital Projects and Bond Oversight Committee meeting for information and review under the provisions of KRS 45.750-45.800.

Inasmuch as the identification of specific projects in a variety of areas of the state government cannot be ascertained with absolute certainty at this time, it is the purpose and intent of the General Assembly to appropriate amounts for specific purposes to projects which are not individually identified herein in the following areas: Repair of State-Owned Dams, Economic Development projects, Infrastructure Projects, Asbestos Abatement projects, Parks Revitalization projects, the Life Safety Projects Bond Pool for Higher Education, the University Agency Fund Bond Projects Pool, as well as certain computer acquisitions or improvements related to the implementation of the Council on Higher Education's Accountability Enhancement Program. Any such projects estimated to cost over $200,000 and equipment estimated to cost over $100,000 shall be reported to the Capital Projects and Bond Oversight Committee. All moneys transferred to the Finance and Administration Cabinet for capital construction from any appropriations, including income from investments, shall be expended, accounted for, and otherwise treated in the same manner as funds appropriated directly to the Finance and Administration Cabinet for capital construction.

The provisions of KRS 56.870(1) shall not be applicable to the financing of any project where the project is certified by the Secretary of Finance to be of such type as to independently produce revenue sufficient to fully meet debt service, issuance costs, reserve fund requirements, insurance premiums and any other expenditures necessary for financing so that no appropriation of state funds will be required. Such certification shall be made in writing by the Secretary of the Finance and Administration Cabinet to the statutory head of the issuing agency or authority with a copy to the Governor and the Legislative Research Commission.

Repayments of revolving funds established with bond issues for which debt service, issuance costs, reserve fund requirements, insurance premiums or any other expenditures associated with the issuance of such bonds is appropriated by the General Assembly shall not be deemed independently produced revenue.

Prior to the issuance of the revenue bonds or notes authorized by this Act, the agency authorized to issue the bonds or notes shall furnish to the Capital Projects and Bond Oversight Committee and the Interim Joint Committee on Appropriations and Revenue, and make available to the public, a listing of all costs associated, either directly or indirectly, with the issuance of the revenue bonds or notes. The costs shall be itemized as to amount and name of payee, and shall include fees or commissions paid to, or anticipated to be paid to, issuers, underwriters, placement agents and advisors, financial advisors, remarketing agents, credit enhancers, trustees, accountants, and the counsel of all such persons, bond counsel and special tax counsel, and shall include the economic benefits received or anticipated to be received by any other persons from any source in return for services performed relating to the issuance of the bonds or notes. Changes in amounts or names of payees or recipients, or additions of amounts or names of payees or recipients, to the listing furnished and made available pursuant to this section, shall be furnished to the Capital Projects and Bond Oversight Committee and the Interim Joint Committee on Appropriations and Revenue and made available to the public within three (3) days following the change.

PART III

GENERAL PROVISIONS

1. Restricted funds designated in the biennial appropriations acts are classified in the state financial records and reports as the Agency Revenue Funds, State Enterprise Funds (State Parks, State Fair Board, Industries for the Blind, Insurance Administration, and Kentucky Horse Park), Internal Services Funds (Computer Services, Central Stores, Telecommunications, Prison Industries, Central Printing, Risk Management and Property Management) and selected Fiduciary Funds (Unemployment Compensation and Other Expendable Trust). Separate funds records and reports shall be maintained in a manner consistent with the appropriations acts. Appropriations out of restricted funds in this Act shall include all fees (which include fees for board and room, athletics, and student activities) and rentals, admittances, sales, bond proceeds, licenses collected by law, gifts, subventions, contributions, income from investments, and other miscellaneous receipts produced or received by an agency or budget unit of the state government, except as otherwise specifically provided, for the use and benefit of each agency or budget unit for the purposes for which each restricted agency fund or account is authorized. Restricted funds receipts shall be credited and allotted to the respective fund or account out of which a specified appropriation is made as provided in Part I. All receipts of restricted funds shall be deposited in the State Treasury and credited to the proper account as provided in KRS Chapters 12, 42, 45 and 48.

Appropriations out of federal funds in this Act shall include federal subventions, grants, contracts or other federal funds received, income from investments and other miscellaneous federal receipts received by an agency or budget unit of the state government, except as otherwise provided, for the use and benefit of each agency or budget unit for the purposes for which each fund account is authorized. Federal funds receipts shall be credited and allotted to the respective fund account out of which a specified appropriation is made as provided in Part I. All federal funds receipts shall be deposited in the State Treasury and credited to the proper account as provided in KRS Chapters 12, 42, 45 and 48.

If receipts received or credited to any restricted funds account or federal funds account during fiscal year 1992-93 or fiscal year 1993-94, and any balance forwarded to the credit of any such account from the previous fiscal year, exceed the appropriation made by specific sum to said account as provided in Part I of this Act for the fiscal year in which the excess occurs, said excess shall become available for expenditure for the purpose of the account during said fiscal year only upon compliance with the conditions and procedures specified in this Act and with the authorization of the State Budget Director of the Governor's Office for Policy and Management and approval of the Secretary of the Finance and Administration Cabinet. No appropriation from any fund source shall exceed the sum specified in this Act until the agency has documented the necessity, purpose, use and source, and such documentation has been submitted to the Interim Joint Committee on Appropriations and Revenue for its review and action in accordance with the provisions of this Act.

Except as otherwise provided in this Act, the appropriate agency or budget unit may requisition for expenditure from the restricted funds account or the federal funds account, through the Finance and Administration Cabinet, during the fiscal year ending June 30, 1993, and during the fiscal year ending June 30, 1994, all receipts placed to the credit of respective funds accounts for such year, out of which has been established a restricted funds account or federal funds account for each separate agency or budget unit during such fiscal year, in addition to any balance which said agency may have had forwarded from the preceding year on or before August 31, of the then current fiscal year, by the Finance and Administration Cabinet. On or before the beginning of each fiscal year, and, if applicable, during each fiscal year, each agency or budget unit, shall submit to the Finance and Administration Cabinet, the Governor's Office for Policy and Management and the Legislative Research Commission documentation of restricted funds and federal funds for each budget unit showing estimated receipts and estimated expenditures, a comparative statement of any revised estimated receipts and proposed expenditures with sums specified in the enacted Budget of the Commonwealth and statements which explain the necessity, use and purpose for the occurrence of such variances.

No unbudgeted appropriation shall be allotted without prior review and action by the Interim Joint Committee on Appropriations and Revenue as provided in this section. Any request for allotment of unbudgeted appropriations from any fund source shall be documented in written detail by the head of the budget unit and transmitted simultaneously to the State Budget Director and the Interim Joint Committee on Appropriations and Revenue. Proposed revisions to the specified appropriations sums in this Act to be authorized by the State Budget Director, or designee, shall be transmitted to the Interim Joint Committee on Appropriations and Revenue by the seventh work day of each month. Within forty-five (45) days after receipt, the Committee shall then review the proposed expenditure of unbudgeted appropriations for conformance with the purposes of the appropriations and enacted budget, the provisions of this Act or statutes, and the statutory budget memorandum. If the Committee disapproves of the proposed revision of the enacted appropriated sum, the budget adjustment shall be invalid unless the proposed appropriation level is revised to comply with the Committee's objections, or the Committee is informed, in written detail, within 30 days by the State Budget Director that a determination has been made not to comply with the objections of the Committee. Where the committee fails to review the proposed expenditure of unbudgeted appropriations within forty-five (45) days of receipt, the proposed expenditure shall be deemed to have been revised unless its subcommittee has recommended disapproval. The Legislative Research Commission shall maintain records of the Committee's findings, determinations and reports of actions by the State Budget Director, and transmit these records to the General Assembly when next convened. If an emergency unbudgeted appropriation revision is required due to a declared natural disaster, calamity or impending deficit in an enacted appropriation sum as certified by the Governor, the State Budget Director is empowered to effect an emergency revised appropriation, with the approval of the Secretary of the Finance and Administration Cabinet and with concurrent notification to the Interim Joint Committee on Appropriations and Revenue of the action and its justification.

Allotments within appropriated sums for the activities and purposes contained in the enacted Executive Budget may be revised upon authorization of the State Budget Director at the request of the head of a budget unit. A copy of the request and the determinations of the State Budget Director shall be transmitted to the Interim Joint Committee on Appropriations and Revenue prior to the implementation of the revision of the allotment.

If a budget unit not listed in Part I of this Act receives unanticipated restricted fund or federal fund money, the Secretary of the Finance and Administration Cabinet, upon written request from the agency head with appropriate documentation of the amount, source, purpose, necessity and use of such moneys, may authorize, upon recommendation of the State Budget Director and review and action by the Interim Joint Committee on Appropriations and Revenue, the credit and expenditure of such funds for statutory purposes. The Secretary of the Finance and Administration Cabinet shall cause to be established a separate discrete restricted funds or federal funds account, as appropriate for the receipt and disbursement of such funds and shall establish the maximum sum which may be credited and expended from the authorized account. The Secretary of the Finance and Administration Cabinet shall provide appropriate notice pursuant to this event to the Interim Joint Committee on Appropriations and Revenue.

Institutions of higher education shall be exempt from all conditions and procedures in this section and Section 8 of Part III with the respect to the authority of the state budget director and the Finance and Administration Cabinet to review or approve unbudgeted restricted funds or federal funds receipts or appropriations in excess of the enacted budget; provided however, in the event of this occurrence, an institution of higher education must report excess unbudgeted restricted funds and federal funds receipts to the Interim Joint Committee on Appropriations and to the state budget director prior to the obligation of funds for expenditure.

No state agency entitled to federal funds which would represent one hundred percent (100%) of the cost of a program in which the state participates shall decline to accept or receive such entitlement without notification to the Interim Joint Committee on Appropriations and Revenue of the Legislative Research Commission and the State Budget Director.

2. Except as otherwise explicitly authorized by this Act, nothing in this Act shall be construed to repeal any appropriation made hereinbefore or hereinafter for the fiscal year ending June 30, 1992, and nothing in this Act is to be construed as amending or altering the provisions of Chapters 42, 45, and 48 of the Kentucky Revised Statutes pertaining to the duties and powers of the Secretary of the Finance and Administration

Cabinet except as otherwise provided in this Act. All questions that arise in interpreting any appropriation in this Act as to the purpose or manner for which such appropriation may be expended shall be decided by the Secretary of the Finance and Administration Cabinet pursuant to KRS 48.500 and the decision of the Secretary of the Finance and Administration Cabinet shall be final and conclusive.

3. In enacting this Appropriation Act, it is the deliberate intention of the General Assembly to enact each section, and each subsection and each appropriation sum by specified fund or funds accounts thereof as a separate and/or specific appropriation and law, and if any section, any subsection, or any provision thereof shall be held invalid or unconstitutional, the decision of the courts shall not affect or impair any of the remaining sections, subsections, or provisions contained herein.

4. The Secretary of the Finance and Administration Cabinet is authorized to establish a system or formula or a combination of both for pro-rating the administrative costs of the Finance and Administration Cabinet, and the Departments of Treasury and Law relative to the administration of programs in which there is joint participation by the state and federal governments for the purpose of receiving the maximum amount of participation permitted under the appropriate Federal laws and regulations governing such programs. The receipts and allotments under this Section shall be reported to the Interim Joint Committee on Appropriations and Revenue prior to any transfer of funds.

5. All statutory continuing appropriations in existence at the time this Act takes effect are discontinued and repealed by this Act except as provided by Chapters 42, 96A, 164, 183, 278, and 441 of the Kentucky Revised Statutes. All statutes and portions of statutes in conflict with any of the provisions of this Section, to the extent of such conflict, are hereby repealed, unless otherwise provided by this Act.

6. No state agency, cabinet, department, office, or program shall incur any obligation against the General Fund or Road Fund appropriations contained herein unless such obligation may be reasonably determined to have been contemplated in the enacted budget and is based upon supporting documentation, legislative and executive records and the statutory budget memorandum.

7. Any General Fund or Road Fund appropriation made herein in anticipation of a lack, loss, or reduction of federal funds shall lapse to the General Fund or Road Fund respectively to the extent such federal funds otherwise become available.

8. The Secretary of the Finance and Administration Cabinet shall cause the Governor's Office for Policy and Management, within sixty days upon adjournment of the 1992 General Assembly, to publish a final budget document, the Budget of the Commonwealth, based upon the proposed Executive Budget as enacted by the 1992 General Assembly as well as other acts which provide appropriations for the 1992-94 biennium and based upon supporting documentation and legislative records as considered by the 1992 General Assembly and the statutory budget memorandum. This document shall include for each agency and budget unit a consolidated budget summary statement of available regular and continuing appropriated revenue by fund source, corresponding appropriation allocations by program or subprogram as appropriate, budget expenditures by principal budget class and such other fiscal data and commentary considered necessary for budget execution by the Governor's Office for Policy and Management and oversight by the Interim Joint Committee on Appropriations and Revenue. The enacted budget shall be revised or adjusted only upon approval by the Governor's Office for Policy and Management as provided in each part of this Act or by law, and upon review and action by the Interim Joint Committee on Appropriations and Revenue.

9. In the event that any authorized capital construction and/or equipment purchase projects are cancelled or if conditions imposed by this Act are not met, any appropriated General Fund or Road Fund debt service for those same projects shall remain unallotted and lapse to the credit of the respective General Fund or Road Fund Surplus Account; however the debt service appropriation to the School Facilities Construction Commission is exempted. In the event that General Fund or Road Fund appropriated debt service is less than required due to favorable interest rates, refinancing, or timing variances, the excess debt service in each fiscal year shall remain unallotted and lapse to the credit of the respective surplus account. Funds appropriated to the School Facilities Construction Commission in fiscal year 1992-93 beyond those necessary to meet debt service requirements shall be retained in the account of the School Facilities Construction Commission and reallocated to eligible school districts in fiscal year 1993-94.

10. The Secretary of the Transportation Cabinet shall use road fund resources to meet the lease rental payments to the Kentucky Turnpike Authority for Resource Recovery Road projects in the amount certified by the Secretary of the Transportation Cabinet. However, in the event that road fund resources are not sufficient to meet lease rental payments, the additional amount required for meeting lease rental payments as certified by the Secretary of the Transportation Cabinet under KRS 143.090 shall be transferred from coal severance tax receipts to meet the obligation.

11. No funds appropriated in this Act may be expended for any purpose not specifically authorized by the General Assembly in this Act nor may funds appropriated in this Act be transferred to or between any cabinet, department, board, commission, institution, agency or budget unit of state government unless specifically authorized by the General Assembly in this Act. Compliance with the provisions of this subsection shall be reviewed and determined by the Interim Joint Committee on Appropriations and Revenue.

12. Nothing in this Act shall be construed to confirm or ratify, under KRS 12.027 or 12.028, any executive reorganization order unless such executive order was confirmed or ratified by appropriate amendment to the Kentucky Revised Statutes in another Act of the 1992 General Assembly. If any executive reorganization order issued from sine die adjournment of the 1990 Regular Session to sine die adjournment of the 1992 Regular Session is not confirmed by the 1992 General Assembly, the Secretary of the Finance and Administration Cabinet is empowered and directed, in consultation with agency heads and with notification to the Legislative Research Commission, to transfer the balance of funds for any affected program or function for fiscal year 1991-92 and any related appropriations and funds for each of the next two fiscal years from the budget unit in which the program or function was placed by the executive reorganization order to the budget unit in which the program or function resided prior to such reorganization action or in which it was placed by action of the 1992 General Assembly. The Legislative Research Commission shall forward the documentation to the appropriate committees.

13. Any appropriation in this Act and any other enactment by the 1992 General Assembly which contains an appropriations provision for the same purpose and amount shall be construed as duplicate sums and no additional moneys shall be provided for the duplicate appropriations. Questions of interpretation of such duplicate appropriations shall be determined as provided in this Act.

14. A Budget Reserve Trust Fund is hereby established. There is appropriated from the General Fund, $5,000,000 for fiscal year 1992-93 and $5,000,000 for fiscal year 1993-94 to the Budget Reserve Trust Fund.

These funds shall be used in the event actual General Fund receipts during the 1992-93 fiscal year or the 1993-94 fiscal year are not sufficient to meet the General Fund appropriation levels authorized by this Act or other general biennial appropriations bills. In addition, allotments from the Budget Reserve Trust Fund may be made for items deemed to be emergency or mandated expenditures elsewhere provided for in this Act if there be insufficient moneys in the General Fund Surplus Account.

No allotment or expenditure from the Budget Reserve Trust Fund shall be made except upon approval of the Governor of the Commonwealth. The Secretary of the Finance and Administration Cabinet shall, before authorizing any allotment or expenditure from the Budget Reserve Trust Fund, provide written notice to the Interim Joint Committee on Appropriations and Revenue.

Any expended balance remaining at the close of the 1991-92 fiscal year shall not lapse, but shall continue into the 1992-93 fiscal year and any unexpended balance remaining at the close of the 1992-93 fiscal year shall not lapse, but shall continue into the 1993-94 fiscal year.

15. The General Assembly acknowledges that during fiscal year 1991-92 the General Fund and Road Fund revenues are less than the enacted estimates pursuant to KRS 48.120(3) and that the 1990 General Assembly had enacted the general appropriations bills in 1990 Acts Chapters 514, 511 and 444 as contained in KRS Chapter 47 based upon the anticipated revenue estimates.

The 1990 General Assembly enacted the 1990-92 General Fund Budget Reduction Plan in 1990 Acts Chapter 514, Part V, for state government pursuant to KRS 48.130(1) and (3). The Plan contained in Chapter 514, KRS 48.130 and 48.600 constitutes the statutory scheme and guidelines for resolving a General Fund and Road Fund revenue shortfall of five percent (5%) or less for the 1990-92 biennium under KRS 48.120(3). These statutes and Acts provide direction and authority by which the heads of the executive, judicial and legislative branches shall revise and reduce appropriations and allotments and other deficit alleviation actions for their respective branch budget units under KRS 48.130(4).

The General Assembly finds that the provisions set forth in, and provided by, Order 92-484 by the Secretary of Finance and Administration as certified by the Governor and Secretary of Transportation are invalid as to any authority with regard to the judicial and legislative branches, and as to the revised appropriation levels set forth in the Order 92-484 for the judicial and legislative appropriations acts for the 1990-92 biennium.

The General Assembly confirms, adopts and enacts the revised General Fund appropriations levels for budget units of the executive branch contained in Order 92-484 except that the following appropriation amounts are hereby reinstated for budget units of the Cabinet for Human Resources:

Department for Health Services - $2,143,500.

Department for Mental Health and Mental Retardation Services - $2,837,100.

The General Assembly confirms and enacts the advances, transfers and lapses to the General Fund of non-General Fund money identified in Order 92-484.

The General Assembly confirms, adopts and enacts the allotment reductions and revised appropriations levels for budget units of the judicial branch as implemented and certified by the Administrative Office of the Courts pursuant to KRS Chapter 48. The General Assembly ratifies, confirms, adopts and enacts the allotment reductions and revised appropriations levels for the budget units of the legislative branch as implemented and certified by the Legislative Research Commission pursuant to KRS Chapter 48.

The General Assembly acknowledges that the Road Fund revenue shortfall in fiscal year 1991-92 exceeds five percent (5%) of the enacted Road Fund Revenue estimates pursuant to KRS 48.120(3). The General Assembly acknowledges further that the provisions set forth in, and provided by, Order 92-484 exceed the authority granted in KRS 48.130 and 48.160 to implement budget deficit related actions. Notwithstanding KRS 48.130 and 48.160, the General Assembly confirms, adopts and enacts the Road Fund allotment reductions and revised appropriation levels contained in Order 29-484, and confirms and enacts the advances, transfers and lapses to the Road Fund identified in Order 92-484.

16. Notwithstanding KRS 61.565, it is the intent of the General Assembly that, from July 1, 1992 through June 30, 1994, the employer contribution rate for the Kentucky Employees Retirement System shall be no more than 7.65 percent for nonhazardous duty employees and 15.05 percent for hazardous duty employees; for the same period, the employer contribution for employees of the State Police Retirement System shall be no more than 19.57 percent.

17. Notwithstanding the provisions of KRS 23A.200, 23A.210, 24A.170, and 24A.180 to the contrary, there shall be added to the filing fee in all civil actions filed in the Circuit and District Courts, except small claims and neglect and dependency actions filed in District Court, the sum of five dollars ($5), designated as the Access to Justice fee, to be charged at the time of filing of the first papers in the action, and all fees collected pursuant to these actions shall be deposited in the State Treasury and credited to a restricted fund revolving account in the judicial branch.

For each judicial district, the Chief Justice of the Commonwealth, in consultation with the Chief Circuit Judge of the district, the president of the local bar association within the county or judicial district, and agencies providing legal services to indigent clients in civil matters within the district, shall designate a nonprofit agency, or local bar association, to develop, operate and administer programs for the provision of legal services to indigent clients involved in civil matters within the district. The agency, or local bar association, may serve more than one (1) county, and shall be incorporated under the law of the Commonwealth, be an organization within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, and ensure that all persons providing legal services to agency clients do so without any fee to the client.

The Administrative Office of the Courts, as recommended by the Chief Justice of the Kentucky Supreme Court, shall distribute monthly, the fees collected pursuant to this Act according to a pro rata allocation formula that distributes funds to each agency according to the number of residents in the judicial districts or counties served whose incomes do not exceed the official U.S. federal poverty guidelines. Any attorney providing pro bono services through the designated agency shall, upon request, receive reimbursement from the agency exclusively for out-of-pocket expenses incident thereto, including, transcription costs, photocopy costs, long distance phone expenses, expert witnesses, and other similar direct out-of-pocket expenses.

At the close of the state fiscal year, all unused or uncommitted funds received by a designated agency shall be returned by the designated agency to the restricted fund revolving account, to be redistributed in the following calendar quarter to operating designated agencies in accordance with guidelines established by the Administrative Office of the Courts.

PART IV

STATE SALARY/COMPENSATION AND EMPLOYMENT POLICY

1. It is the finding of the General Assembly of the Commonwealth of Kentucky that the financial condition of state government requires the following action.

2. Notwithstanding the provisions of KRS 15.755, 15.765, 16.050, 18A.355, 64.055, 64.480, 64.485, and 151B.035(7)(e), the salaries of the various state officers, officials, and employees in the classified and unclassified service including contractual or otherwise paid employees, for fiscal year 1992-93 shall not be incremented over fiscal year 1991-92 except as specifically provided for in this Act.

3. Notwithstanding the provisions of KRS 15.755, 15.765, 16.050, 18A.355, 64.055, 64.480, 64.485, and 151B.035(7)(e), the salaries of the various state officers, officials, and employees in the classified and unclassified service including contractual or otherwise paid employees for fiscal year 1993-94 shall be incremented by three percent (3%) over fiscal year 1992-93, except as provided in this Part.

4. It is the intent of the General Assembly that a state employee compensation increase program, the Salary Enhancement Fund, be established to provide salary increases to permanent, full-time classified employees whose salaries, on July 1, 1992, are $20,000 or less per annum. Compensation increases amounting to two percent (2%) of salary in fiscal year 1992-93 shall be provided to those employees and those increases shall become a part of the regular salary or compensation of those employees.

It is the intent of the General Assembly that these compensation increases may be paid from those sources of funds contained in the Operating Budget, Part I of this Act, as may be available, excluding debt service appropriations, in addition to the specific appropriation designated for this purpose as contained in this Act.

5. Notwithstanding the provisions of KRS 18A.110(3)(a), it is the intent of the General Assembly that all non-elected officers, officials, and employees in the classified and unclassified service including contractual or otherwise paid employees, whose salary on July 1, 1993 exceeds $50,000 per annum, shall have their salary incremented by one percent (1%) in fiscal year 1993-94 over 1992-93.

In the event that the Commonwealth incurs any expense or liability above the sum of $375,000 which expense or liability may be related directly or indirectly to legal actions which may be initiated due to the implementation of the provisions of this section, this provision is hereby repealed and voided and the employees shall receive the increment provided in sections two (2) and three (3) and such funds as may be required are hereby appropriated. The State Budget Director shall devise and institute a standard record-keeping and reporting system by which heads of budget units record and report any direct and indirect expenses or liabilities which are related to legal actions as stated above. On and after April 30, 1992, heads of budget units shall report monthly to the State Budget Director and the Legislatives Research Commission, when the expenses and liabilities accrue under the provisions of this section. In the event that a cumulative or aggregate total of $375,000 is incurred in direct and indirect expenses and liabilities which are related to legal actions under this provision, the Secretary of Finance and Administration shall certify to the heads of each branch that the provisions of the section are repealed and the authorized increments shall be awarded and are hereby appropriated.

PART V

FUNDS TRANSFER

1. It is the finding of the General Assembly of the Commonwealth of Kentucky that the financial condition of state government requires the following action.

2. Notwithstanding the requirements of the statutes set forth below, there is hereby transferred from the restricted and special funds enumerated below to the General Fund the following amounts in fiscal year 1992-93 and fiscal year 1993-94.

		1992-93	1993-94
1.	Kentucky Law Enforcement Foundation Program Fund	1,000,000	1,000,000
	(KRS 15.430-500; 42.190; and 136.392)		
2.	Fire and Tornado Insurance Fund	2,000,000	2,000,000
	(KRS 56.095; 56.150; 56.180)		
3.	Department of Insurance	2,250,000	2,250,000
	(KRS 304.2-300 and KRS 304.2-440)		
4.	Department of Financial Institutions	250,000	250,000
	(KRS 287.485)		

5. Professional Firefighter Foundation Fund	6,000,000	5,500,000
(KRS 95A.220; 42.190; 136.392)		
6. Economic Development Cabinet		
Economic Development Bond Repayments	3,000,000	4,000,000
(KRS Chapter 47) (1991-92-1,600,000)		
7. Capital Construction Investment Income	1,500,000	1,500,000
Total	16,000,000	16,500,000
(1991-92-1,600,000)		

PART VI

GENERAL FUND BUDGET REDUCTION PLAN

Pursuant to KRS 48.130 and 48.600, a General Fund Budget Reduction Plan is hereby enacted for state government in the event of an actual or projected deficit in estimated General Fund revenue receipts of $4,587,126,800 in fiscal year 1992-93 and $4,863,891,200 in fiscal year 1993-94, as modified by related acts and actions of the General Assembly. Direct services and obligations essential to the minimum level of constitutional functions are exempt from the requirements of this Plan.

The Governor, the Chief Justice, and the Legislative Research Commission shall direct and implement reductions in allotments and appropriations only for their respective branch budget units as may be necessary as well as take other measures which shall be consistent with the provisions of this Part and general appropriations acts.

In the event of a revenue shortfall under the provisions of KRS 48.120, General Fund budget reduction actions shall be implemented in the following sequence:

(1) The Local Government Economic Assistance Fund shall be adjusted by the Secretary of Finance and Administration Cabinet to equal revised estimates of receipts pursuant to KRS 42.450.

(2) Unappropriated funds available in the General Fund Surplus Account established in KRS 48.700 shall be applied toward the revenue shortfall.

(3) Funds available in the Budget Reserve Trust Fund created in this Act shall be applied in an amount not to exceed $23,500,000 in any fiscal year.

(4) Transfers of excess unappropriated and unbudgeted restricted funds other than fiduciary funds shall be applied as determined by the head of each branch for its respective budget units.

(5) Debt service appropriations for unissued bonds and excess General Fund appropriations derived from reduced debt service requirements pursuant to the provisions of Part III of this Act shall be applied.

(6) In the event that the Secretary of Finance and Administration certifies that the application of the budget reduction actions directed in subsections one (1) through five (5) of this section are insufficient to overcome the revenue shortfall, then excess funds which accrue as a result of personnel vacancies and turnover, and reduced requirements for operating expenses, grants and capital outlay shall be determined and applied by the heads of the executive, judicial and legislative departments of state government for their respective branches. The branch heads shall certify the available amounts which shall be applied to budget units within the respective branches and shall promptly transmit the certification to the Secretary of Finance and Administration and the Legislative Research Commission. The Secretary of Finance and Administration shall execute the certified actions as transmitted by the branch heads.

Branch Heads shall take care, by their respective actions, to protect, preserve and advance the fundamental health, safety, legal and social welfare, and educational well-being of the citizens of the Commonwealth.

(7) If the actions contained in subsections one (1) through six (6) of this section are insufficient to eliminate the revenue shortfall up to five (5) percent of the enacted General Fund revenue receipts, then the Governor

is empowered and directed to take necessary actions with respect to the executive branch budget units to balance the budget by such actions conforming with the criteria expressed in the preceding subsection.

PART VII

ROAD FUND BUDGET REDUCTION PLAN

Pursuant to KRS 48.130 a Road Fund Reduction Plan is established for state government for FY 1992-93 and FY 1993-94. In the event of a reduction (revenue shortfall) in the estimated Road Fund revenue receipts of $773,638,100 in FY 1992-93 and $799,665,200 in FY 1993-94 and the head of the Executive Branch shall implement reductions in the following sequence:

1. All Statutory programs are adjusted to equal revised estimates.

2. Moneys in the Road Fund Surplus Expenditure Account are applied.

3. All Road Fund Supported Vacancy Credits.

4. Savings realized from the freezing of all permanent full-time nonmerit vacant positions. Any permanent full-time nonmerit positions that may become vacant subsequent to the reduction declaration shall not be fill during the fiscal year and the resulting savings shall go toward the reduction.

5. Any savings realized from unexpended surplus lease-rental payments (to the Turnpike Authority).

6. The Highway Construction Contingency Account and the State Resurfacing Program shall contribute at the same level, up to $5 million.

7. The General Administration and Support unit shall participate in the reduction.

8. The Vehicle Regulation appropriation unit shall participate in the reduction.

9. The Maintenance program, within the Highways appropriation unit shall contribute up to $2 million to the remaining targeted reduction balance.

10. The Highway Operations program within the Highways appropriations unit shall contribute up to $1 million to the remaining targeted reduction balance.

11. Highway Construction projects which appear in the 1992-94 Biennial Highway Construction Program shall participate in the following manner: Projects scheduled for the "Design" phase may be delayed one fiscal year. If a project in the subsequent fiscal year is delayed, due to the inclusion of the "reduction" year project, then only a project that is scheduled for "Design" may be delayed.

PART VIII

ROAD FUND SURPLUS EXPENDITURE PLAN

Pursuant to KRS 48.140, the expenditure of surplus moneys as defined in the cited statute shall be as follows: 50% of the excess (up to $8 million) shall be deposited in the Highway Construction Contingency Account and the remaining balance shall be deposited in the Road Fund Surplus Expenditure Account.

PART IX

SPECIAL PROVISIONS

GOVERNMENT OPERATIONS

1. AUDITOR OF PUBLIC ACCOUNTS

- Records and Reports: The Auditor of Public Accounts shall report in writing each sixty (60) days to the Interim Joint Committee on Appropriations and Revenue the progress of all state audits, together with copies of all completed audits. The auditor shall maintain a record of all time and expenses for each audit or investigation.

- Charges for Federal and Local Audits: Any additional expense incurred by the Auditor of Public Accounts for auditing federal funds when such audits are mandated by a cognizant federal audit agency, shall be charged to the audited agency, when such costs may be charged against federal funds. The Auditor of Public Accounts is hereby authorized to receive these federal funds in a separate account to be established for this purpose. The Auditor shall maintain a record of all costs and expenditures associated with this provision.

Each quarter, the Auditor of Public Accounts shall notify the Finance and Administration Cabinet concerning the collection status of the fees charged for county audits. If a county government is delinquent in its payment to the Auditor of Public Accounts, the Finance and Administration Cabinet shall withhold any moneys due that county government for the term of one hundred twenty (120) days or until the Auditor of Public Accounts has received full payment from the county. The Auditor of Public Accounts is authorized to increase the audit fees for conducting county audits if additional revenues are needed to continue the operations of the office.

The "Single Audit Act of 1984" (OMB Circular No. A-128) has changed the method by which federal moneys to state agencies are audited. As a result of this federal change, the Auditor of Public Accounts is budgeted to receive additional agency receipts which shall be allotted by the Governor's Office for Policy and Management for programs authorized in the enacted budget for the Auditor of Public Accounts by the 1992 General Assembly, subject to the conditions and procedures provided in this Act.

2. DEPARTMENT OF PERSONNEL

- Personnel Board Elections: The Department of Personnel may recover any costs of the Personnel Board election in fiscal year 1993-94 in excess of $10,000 from the Personnel Board, up to the amount of $10,000.

3. PERSONNEL BOARD

- Personnel Board Reimbursement: The Personnel Board shall reimburse the Department of Personnel any costs up to $10,000 for conducting the Personnel Board election in fiscal 1993-94 in excess of $10,000.

4. DEPARTMENT FOR LOCAL GOVERNMENT

- Local Government Parks and Recreation Matching Grant Program: Included in the General Fund appropriation in fiscal year 1992-93 is $525,000 to be used for a matching grant program for local government public parks and recreation programs on the basis of three state dollars to one local dollar match, with a maximum award of $75,000 from the grant fund. Such funds may be applied for by local governments to the Department of Local Government by showing a plan for the expenditure of the funds which may be used for capital improvements, equipment purchases, or other matters deemed appropriate for the improvement of local government public park facilities. In granting awards under this program during the first year, priority shall be given to the City of Shively, Scott County, Meade County, Franklin County, Jessamine County, Simpson County, and Marshall County. Dollars not awarded in the first year shall be carried forward.

ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT CABINET

5. FINANCIAL INCENTIVE

- Bluegrass State Skills Corporation Report: The Corporation is to submit a quarterly financial report.

- Capital Projects: The Louisville Waterfront Development project is to meet all Economic Development Bond guidelines and the state bond shall not be utilized until the $12.5 million local match is obtained. The Lake Reba Recreational Complex Improvement project is substituted for City of Richmond Parking Garage from bond proceeds from Project 53.

6. COMMUNITY DEVELOPMENT

- Regional Office Location: The Central Regional Office shall be located in the Cabinet's headquarters in Frankfort.

DEPARTMENT OF EDUCATION

7. DEPARTMENT OF EDUCATION

8. LEARNING SUPPORT SERVICES

- Drug/Alcohol Abuse Program: The statewide information service relative to alcohol/drug abuse among Kentucky's coal mining workforce is continued.

9. MANAGEMENT SUPPORT SERVICES

- Primary Program Instructional Materials: $3,000,000 of the appropriation for textbooks for primary - 8 is directed to instructional material for the primary program.

- Out-of-District Services: Funds appropriated for the out-of-district program are to be used to support the Kentucky Educational Collaborative for State Agency children in the event that the provisions of Senate Bill 260, or another Act, are enacted for this purpose.

10. LEARNING RESULTS SERVICES

- Operational Standards: The State Board for Elementary and Secondary Education is directed to adopt operational standards that include ratios reflecting best practice of major classifications of classified personnel.

EDUCATION AND HUMANITIES

11. TEACHER'S RETIREMENT SYSTEM

- Cost-of-Living Adjustment: Additional funds are provided to increase the cost-of-living adjustment for retired teachers above the statutory required amount. The value of this increase is to be determined by the Kentucky Teachers' Retirement System.

12. SCHOOL FACILITIES CONSTRUCTION COMMISSION

- Continued Appropriations: Notwithstanding KRS 45.229, funds appropriated to the School Facilities Construction Commission for debt service in fiscal year 1992-93 beyond those necessary to meet debt service requirements shall not lapse.

HIGHER EDUCATION

13. UNIVERSITIES

- Higher Education Capital Construction: Notwithstanding the obligations indicated in the Governor's Executive Budget Document Capital Construction Section, appropriations by the 1992 General Assembly of state funds for planning and design of projects implies no funding commitment for the 1994 General Assembly.

HUMAN RESOURCES

14. CABINET FOR HUMAN RESOURCES

(Cabinet-wide including the Commission for Handicapped Children and the Commission for Health Economics Control in Kentucky.)

- Funding limitation for non-merit positions and compensation for reverting merit employees: The House includes in the salary and benefits costs: 1) no funds for non-merit positions in each Commissioner's Office with the exception of 1 commissioner or physician commissioner and non-merit positions located at MH/MR facilities and filled on January 31, 1992; 2) no funds for non-merit positions in the Office of the Secretary with the exception of 1 cabinet secretary and 1 budget officer; in the Office of Administrative Services, Director's office with the exception of 1 office head; and in the Office of Inspector General with the exception of 1 office head; 3) no funds for non-merit positions in the Director's Office in the Commission for Handicapped Children; 4) no funds for non-merit positions in the Commission for Health Economics Control; 5) no funds for the Quality Assurance Branch in the Department for Social Services; 6) funds for merit positions filled by employees who were or will be employed in a non-merit position in the Commonwealth of Kentucky between December 1, 1987 and June 30, 1994 at a salary equal to or less than the employee's merit-position salary immediately prior to the employee's first non-merit position in the Commonwealth plus corresponding annual merit increments given to all merit employees for each year since or if no such merit position was held, at a salary equal to or less than the entry level of the present merit position; and 7) funds for other non-merit and merit positions filled on January 31, 1992. Appropriated funds for salary and benefit costs shall be allocated following the General Provisions of the Appropriation Act within the Department for Social Insurance. Any necessary termination of classified employees shall be done in accordance with KRS 18A.113, 18A.1131, and 18A.1132.

- Incremental salary increases: No funds are included for incremental salary increases for non-merit positions.

15. SOCIAL INSURANCE

- Administration: Expenditures of Food Stamp Enhanced Funding-Funds shall be utilized only for one-time, nonrecurring expenditures in the Department for Social Insurance.

16. MEDICAID BENEFITS

- Medicaid provider tax provisions: The House directs that action on the provider tax be instituted prior to June 30, 1993 in order to ensure that the program shall be eligible to continue the federal funds participation. The Secretary of the Cabinet for Human Resources and the Commissioner of the Department for Medicaid Services shall provide notice to the Houses and Senate or the Interim Joint Committee on Appropriations and Revenue confirming compliance with this directive.

17. SOCIAL SERVICES

- Administration program code: Funds for administration costs including but not exclusive of the Commissioner's Office including the Quality Assurance Branch and the Division for Program Management shall be allotted, expended, and displayed in appropriate requests and reports as a separate program code or appropriation unit.

- Expenditures for additional Title IV-E federal funds: Any unappropriated Title IV-E funds or unexpended appropriated Title IV-E funds shall be used to for the following options: foster care rate increases, child day care, and/or family preservation with prior approval of expenditure plan by the Interim Joint Appropriation and Revenue Committee. These funds shall not replace any appropriated funds.

JUSTICE/CORRECTIONS

JUSTICE CABINET

18. JUSTICE ADMINISTRATION

- Allocation of the General Fund appropriations for Juvenile Facilities: General Fund moneys for the Juvenile Diversion programs shall be distributed as follows: Gateway Juvenile Diversion Program in Mount Sterling, $225,000 in fiscal year 1992-93 and $225,000 in fiscal year 1993-94; Daviess County Juvenile (non secure) Diversion Program, $78,100 in fiscal year 1992-93 and $78,100 in fiscal year 1993-94; Eastern Kentucky Juvenile Facility at Morehead is appropriated $250,000 in fiscal year 1993-94 for operating costs; $186,900 in fiscal year 1993-94 to construct and implement a secure juvenile detention center in Paducah. Salary enhancements for juvenile facility personnel, supported by General Fund appropriations, shall be governed by personnel directives for state employees, set forth in Part IV, the General Provision section of this Act. Each juvenile facility that receives General Fund appropriations shall be subject to the reporting requirements contained in House Joint Resolution 87. General Fund appropriations shall be disbursed to the juvenile diversion center according to the schedule prescribed in House Joint Resolution 87.

CORRECTIONS CABINET

19. CORRECTIONS MANAGEMENT

- Kentucky Corrections Commission - Technical Support: The Corrections Cabinet shall provide technical support for the Commission. Restricted Funds - Quarterly Reports to be Submitted to the Interim Joint Committee on Appropriations and Revenue.

The Corrections Cabinet shall provide quarterly reports regarding Restricted Funds by individual program and institution.

20. ADULT INSTITUTIONS

- Adult Institutions - Appropriation Units: Each adult correctional institution is established as a separate appropriation unit. Also, the private prisons program is identified as a specific appropriation unit, and all other programs within the Department for Adult Institutions are appropriated as an Adult Institutions Management/Operations unit. Appropriations may be transferred among the adult institutions, subject to the conditions of this Act.

- Prison Farms Operations: The Secretary of the Corrections Cabinet is permitted to utilize up to $400,000 in fiscal year 1992-93 and up to $450,000 in fiscal year 1993-94 of any available Restricted Funds appropriated to the Corrections Cabinet for the purpose of re-establishing the prison farms operations, subject to the conditions of this Act. The prison farms are limited to the raising of beef cattle, orchards, and small vegetable gardens.

- Institutional Beds: The inmate population of the state's adult penitentiaries are limited to the operational capacities for which funding was provided by the 1990 Kentucky General Assembly, as adjusted for additional bedspace which may become operational during the 1992-94 Biennium as a result of the construction of new dormitories, segregation units, and new correctional facilities. All contractual agreements in effect as of January 1, 1992, to house state prisoners shall be fully utilized, prior to any additional beds being made available through contractual agreements between the Corrections Cabinet and public agencies or private vendors. Due to the financial condition of the Commonwealth, any new beds which are contracted to house sentenced state prisoners after June 30, 1992, shall receive no cost-of-living adjustment in fiscal year 1992-93 or fiscal year 1993-94. The Corrections Cabinet shall report monthly to the Interim Joint Committee on Appropriations and Revenue the status of all bedspace utilized to house state prisoners, including state penitentiaries, adult correctional facilities, local and/or regional jails, and halfway houses. Sentenced state prisoners may be classified as minimum security provided they are within sixty (60) months of eligibility of parole and score 14, or less, on the classification document, and these inmates may be housed in any statutory adult correctional facility or penitentiary, as defined by KRS Chapters 196 and 197. Adult correctional facilities operated by private providers, as defined in KRS 197.500(3), which house state prisoners classified as minimum security pursuant to this authority, shall be enclosed with a secure perimeter.

21. COMMUNITY SERVICE AND LOCAL FACILITIES

- Weapons for Probation and Parole Officers: Any weapons declared surplus by the Justice Cabinet shall be issued to probation and parole officers.

- Contract Beds: All existing contracts to house state prisoners shall be fully utilized, prior to any additional beds being made available through contractual agreements between the Corrections Cabinet and public agencies and/or private vendors. Any new contracts to house sentenced state prisoners after June 30, 1992, shall receive no cost-of-living adjustment in fiscal year 1992-93 or fiscal year 1993-94.

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

22. DEPARTMENT FOR NATURAL RESOURCES

- Energy Conservation Program: The Cabinet shall evaluate an energy conservation program for state government buildings based upon the model used for the Institutional Conservation Program for Schools and Hospitals.

23. DEPARTMENT FOR ENVIRONMENTAL PROTECTION

- Environmental Tracking Systems: The Cabinet shall provide quarterly reports of the status of the permit tracking relating to the time and accounting systems to the Legislative Research Commission for referral to appropriate committees.

- Underground Storage Tanks: The Cabinet shall coordinate and cooperate with the Department of Parks concerning its underground storage tanks and compliance with program requirement.

- Air Quality Program: The Cabinet shall establish by administrative regulations a new fee structure to replace any other fees for permits for air contaminant sources imposed by KRS 224.20-050(1)-(9) to be implemented effective July 1, 1992, in accordance with the provisions of KRS 224.20-050(10) and consistent with the Clean Air Act Amendments of 1990 (Public Law 101-549). The fees shall be uniformly assessed on each permitted source with more than 25 tons of emissions of sulfur dioxide, oxides of nitrogen, PM 10, and volatile organic compounds in the preceding year. The amount of chargeable pollutants emitted by a source shall be the amount of actual emissions listed in the Kentucky Emissions Inventory System. Fees shall not be imposed on those sources located in an air pollution district created pursuant to KRS Chapter 77, or on electric utility units listed in Title IV, Table A, of the Clean Air Act Amendments of 1990, or on mobile sources, or on any specific regulated pollutant in excess of 4,000 tons per year. The General Fund appropriation for this program shall not exceed $2,568,400 in FY 1992-93 and $2,662,800 in FY 1993-94. The amount of the restricted funds raised through the fees shall not exceed $2,131,200 in FY 1992-93 and $2,664,000 in FY 1993-94.

The Governor shall appoint a task force to assist the Cabinet in the implementation of the Federal Clean Air Act Amendments. The task force shall be comprised of representatives of industry, the environmental community and the cabinet, and shall make quarterly reports to the Legislative Research Commission for referral to appropriate committees.

24. CABINET WIDE

- Redirection of Savings for Specific Programs: In the Surface Mining Program, or its related legal services, the Cabinet is authorized to redirect any savings to the air, waste, and water programs. Within the Cabinet in regard to the consolidation of the administrative functions, the Cabinet is authorized to redirect any savings for the purpose of information technology. Prior to expenditure of such moneys, the Cabinet shall document such savings and its proposed spending plan, and transmit such to the Interim Joint Committee on Appropriations and Revenue, and the State Budget Director. Authority is hereby provided to expend these funds in the capital budget if necessary.

25. PETROLEUM STORAGE TANK ENVIRONMENTAL ASSURANCE FUND COMMISSION

- Establishment of Distinct Account: Notwithstanding KRS 224.60-150, the $30 per tank registration fee statutorily established for the Cabinet's programs shall be in a separate account from the Environmental Assurance Fund.

PUBLIC PROTECTION AND REGULATION CABINET

26. DEPARTMENT OF HOUSING, BUILDINGS AND CONSTRUCTION

- Firefighters Foundation Program Fund: The General Assembly hereby creates the Firefighters Foundation Program Fund which is a combination of the Professional Firefighters Foundation Fund and the Volunteer Fire Department Aid Fund. The fund shall be administered by the Commission on Fire Protection Personnel Standards and Education which shall promulgate regulations and criteria for the administration of the fund relating to Professional Firefighters and Volunteer Fire Departments. Incentive pay amounts for professional firefighters and state aid for volunteer fire departments shall be determined by administrative regulation. All other programs and benefits relating to professional firefighters and volunteer fire departments shall also be determined by the Commission and all proceeds accruing to the program shall be used for the improvement of education, upgrade of facilities, training and such other programs to benefit firefighters in the Commonwealth. The 1992 General Assembly provides the following additional funding for the firefighters foundation fund program:

	1992-93	1993-94
Professional Firefighters Incentive Pay ($250 increase)		638,000
Workers' Comp. Volunteer Firefighters	1,600,000	1,600,000
Volunteer Fire Dept. Aid ($1,000 increase)		650,000
Pension Reimbursement for additional incentive pay		80,000
Revolving Loan Fund	500,000	500,000
Training Enhancement	50,000	50,000
Additional Operating	100,000	100,000
TOTAL	2,250,000	3,618,000

27. KENTUCKY RACING COMMISSION

- Breeders' Fund Award Program: The General Assembly hereby authorizes for expenditure from the General Fund Surplus Account as provided in KRS 48.700, an appropriation up to $3,750,000 in FY 1993-94 to support a total level of disbursement of $3,750,000, including Restricted Funds resources available to the Breeders Award Fund Program as authorized and enacted by the General Assembly. By July 15, 1993, the required level of General Fund support for this contingent purpose shall be certified by the Secretary for Finance and Administration, upon recommendation of the Chairman of the Kentucky Racing Commission, to the Governor and the House, Senate or Interim Joint Committee on Appropriations and Revenue. In the event that the Governor affirms such certification, the Secretary of Finance and Administration shall approve the allotment of the required sum from the General Fund Surplus Account and the State Treasurer shall disburse such payment. The Restricted Funds accruing to the Breeders Award Fund program as of July 1, 1993 shall be obligated before any amount of General Fund contingency appropriation shall be expended. A copy of the certification and the written approval of the Governor as well as periodic financial and program activity reports of the Breeders Award Fund shall be filed with the Legislative Research Commission and referred to its committees. If the total Restricted Funds generated by July 1, 1993 exceed the appropriated amount, the additional Restricted Funds may be expended upon approval of the Secretary of Finance and Administration subject to the conditions and procedures contained in Part III.

28. PUBLIC SERVICE COMMISSION

- Kentucky River Water Quality and Finance Studies: The Commission is directed to undertake, utilizing existing resources, a water quality study of the Kentucky River to develop a database characterizing the water quality, conditions, problems, programs and solutions and a financial study to determine the feasibility and appropriate fee structure for proposed capital construction projects on the Kentucky River. These studies are to be done in cooperation with the Kentucky River Authority. The Commission is authorized to expend $200,000 in the first year and $100,000 in the second year for these studies.

TOURISM

29. BREAKS INTERSTATE PARK

- Breaks Interstate Park Financing and Reporting: The Commonwealth of Kentucky and the Commonwealth of Virginia shall enter into a financing agreement, and shall make matching cash contributions. The Park Commission shall provide quarterly reports to the Legislative Research Commission for referral to the appropriate committees.

30. DEPARTMENT OF TRAVEL DEVELOPMENT

- Advertising Match Funds: The matching funds shall be strictly on a cash basis.

31. DEPARTMENT OF PARKS

- Parks Revitalization: The proceeds of the $100 million bond issue shall be utilized only for non-recurring renovations and rehabilitation of existing park facilities and for significant revenue producing new public facilities. The list of recommended projects shall be forwarded to the General Assembly at least thirty days prior to the anticipated extraordinary session. No project shall be undertaken without prior approval of the General Assembly.

32. STATE FAIR BOARD

- State Fair Capital Construction: The $25 million bond shall first be used to complete the South Wing Expansion, and the Access Road. The Maintenance Building may be constructed if the available balance and any remaining design funds are sufficient to fully fund its completion.

TRANSPORTATION

33. GENERAL ADMINISTRATION AND SUPPORT

- Conformance of the 1990 Reauthorized Capital Construction Projects: All reauthorized capital construction projects shall conform to the directives set fourth in House Bill 799, as enacted by the 1990 General Assembly.

34. HIGHWAYS

- State/County Bridge Program: The Transportation Cabinet shall use the following as the basis for the expenditure of the state/county bridge program appropriations among the twelve Transportation Cabinet Highway Districts. Each Transportation Cabinet Highway District shall receive a percentage of the appropriation equal to its percentage share of the total eligible bridges in the Commonwealth.

- Deferred Project Construction Fund: The Deferred Project Construction Fund shall be used to fund projects, included in the 1990-92 Biennial Highway Construction Program, as approved by the 1990 General Assembly, but which have not proceeded as scheduled or is not in the 1992-94 Biennial Highway Construction Fund, as approved by the 1992 General Assembly, to the extent that this fund will support. Furthermore, the Deferred Project Construction Fund shall be used to support projects in the 1990 Six Year Plan, as approved by the 1990 General Assembly scheduled in fiscal year 1992-93 or fiscal year 1993-94, if such projects are not otherwise scheduled to be built in the 1992-94 Biennial Highway Construction Program, as approved by the 1992 General Assembly.

- Reporting requirements for highway construction projects: The Transportation Cabinet shall report to the Interim Joint Committee on Appropriations and Revenue on highway construction projects on a quarterly basis and in accordance with the provisions set forth in House Joint Resolution 87.

- Underruns on Highway Construction Projects: Any underruns on highway construction projects shall be deposited in the Deferred Project Construction Fund.

35. VEHICLE REGULATION

- Road Fund appropriation for Motor Vehicle Enforcement Officers: Any Road Fund moneys not expended for the thirty-six additional motor vehicle officer positions as referred in House Joint Resolution 87 shall lapse to the credit of the Road Fund Surplus Account.

- Weight Distance Surtax Sunset Provisions: If the actual Road Fund receipts for fiscal year 1992-93 exceed the Official Road Fund Revenue Estimate then the amount above the estimate, exclusive of the amount statutorily credited to county and municipal governments, would reduce or replace the Weight Distance Surtax revenue in fiscal year 1993-94 (for which the budget is built on) and the Weight Distance Surtax shall be adjusted accordingly to generate the difference between the surplus and the fiscal year 1993-94 official weight distance surtax revenue estimate of $19.3 million. If the amount of surplus, exclusive of the statutory amounts equals or exceeds the estimated revenue from the Weight Distance Surtax in fiscal year 1992-93, then such moneys shall replace the Weight Distance Surtax in fiscal year 1993-94 and the tax shall sunset at June 30, 1993.

WORKFORCE DEVELOPMENT

36. ADULT TECHNICAL EDUCATION

- Administrative Operations Reductions: By July 1, 1993, the Department for Adult and Technical Education shall reduce the administrative and operational expenditures for regional centers by one-half. The State Board for Adult and Technical Education shall use these funds for salary enhancement/improvement for teachers within the vocational technical system.

The Committee on Appropriations and Revenue reported **HJR 85**, with Committee Substitute attached thereto, **HJR 86**, with Committee Substitute attached thereto, and **HJR 87**, with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

The Committee Substitute to **HJR 85** is as follows:

HJR 85, A JOINT RESOLUTION relating to the budget process.

WHEREAS, the Constitution of the Commonwealth of Kentucky empowers the General Assembly to make appropriations; and

WHEREAS, the Kentucky Supreme Court recognizes that the budget, which appropriates the revenue of the Commonwealth and which determines how that revenue shall be spent, is fundamentally a legislative matter; and

WHEREAS, the General Assembly has enacted into law the statutory budget process which is primarily codified as KRS Chapter 48; and

WHEREAS, the statutes provide that prior to the passage of a budget bill, the appropriations committees of the General Assembly shall prepare a budget memorandum which shall enumerate the changes made by the appropriations committees in a branch budget recommendation, and shall explain such changes in detail sufficient to convey the intent of the appropriations committees; and,

WHEREAS, the Kentucky Supreme Court has upheld the use of the budget memorandum as a valid part of the statutory budget process;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That Section 3 of this Resolution is recognized as the 1992-94 Judicial Branch Budget Memorandum and any mandates, directives, or initiatives contained in the 1992-94 Judicial Branch Budget Memorandum shall have the force and effect of law.

Section 2. That the staff of the Legislative Research Commission shall have the authority, subject to the approval of the Legislative Research Commission, to make technical or format adjustments to the 1992-94 Judicial Branch Budget Memorandum which do not alter the sense, meaning, or effect of the 1992-94 Judicial Branch Budget Bill or the 1992-94 Judicial Branch Budget Memorandum.

Section 3. The 1992-94 Judicial Branch Budget Memorandum is as follows:

1992 GENERAL ASSEMBLY

CJ. JUDICIAL

MARCH 6, 1992

1992 GENERAL ASSEMBLY
FB 1992-94 HOUSE REPORT
GENERAL FUND SUMMARY

FUNCTION: Judicial Branch

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	Branch Budget	House	Difference	Branch Budget	House	Difference
Court of Justice							
Court Operations & Admin.	80,585,100	84,655,100	84,655,100		87,175,800	87,175,800	
Local Facilities Fund	11,967,500	12,629,600	12,629,600		13,000,000	13,000,000	
Total Court of Justice	92,552,600	97,284,700	97,284,700		100,175,800	100,175,800	
Judicial Retirement	1,476,700	2,112,300	2,112,300		2,124,000	2,124,000	
Grand Total	94,029,300	99,397,000	99,397,000		102,299,800	102,299,800	

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1992 GENERAL ASSEMBLY
FB 1992-94 HOUSE REPORT
RESTRICTED FUND SUMMARY

FUNCTION: Judicial Branch

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	Branch Budget	House	Difference	Branch Budget	House	Difference
Court of Justice							
Court Operations & Admin.	191,900	101,000	101,000		101,000	101,000	
Local Facilities Fund							
Total Court of Justice	191,900	101,000	101,000		101,000	101,000	
Judicial Retirement							
Operating Budget Total	191,900	101,000	101,000		101,000	101,000	
Capital Budget							
Grand Total	**191,900**	**101,000**	**101,000**		**101,000**	**101,000**	

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1992 GENERAL ASSEMBLY
FB 1992-94 HOUSE REPORT
FEDERAL FUND SUMMARY

FUNCTION: Judicial Branch

	FY 1991-92 Budget	FY 1992-93 Branch Budget	FY 1992-93 House	FY 1992-93 Difference	FY 1993-94 Branch Budget	FY 1993-94 House	FY 1993-94 Difference
Court of Justice							
Court Operations & Admin.	588,400	67,600	67,600		22,500	22,500	
Local Facilities Fund							
Total Court of Justice	588,400	67,600	67,600		22,500	22,500	
Judicial Retirement							
Grand Total	588,400	67,600	67,600		22,500	22,500	

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1992 GENERAL ASSEMBLY
FB 1992-94 HOUSE REPORT
TOTAL FUNDS SUMMARY

FUNCTION: Judicial Branch

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	Branch Budget	House	Difference	Branch Budget	House	Difference
Court of Justice							
Court Operations & Admin.	81,365,400	84,823,700	84,823,700		87,299,300	87,299,300	
Local Facilities Fund	11,967,500	12,629,600	12,629,600		13,000,000	13,000,000	
Total Court of Justice	93,332,900	97,453,300	97,453,300		100,299,300	100,299,300	
Judicial Retirement	1,476,700	2,112,300	2,112,300		2,124,000	2,124,000	
Operating Budget Total	94,809,600	99,565,600	99,565,600		102,423,300	102,423,300	
Capital Budget							
Grand Total	94,809,600	99,565,600	99,565,600		102,423,300	102,423,300	

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HOUSE REPORT
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Judicial
Cabinet/Function: Judicial
Agency: Summary
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	Branch Budget	House	Difference	Branch Budget	House	Difference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	94,029,300	99,397,000	99,397,000		102,299,800	102,299,800	
Restricted Funds	191,900	101,000	101,000		101,000	101,000	
Federal Funds	588,400	67,600	67,600		22,500	22,500	
TOTAL FUNDS	**94,809,600**	**99,565,600**	**99,565,600**		**102,423,300**	**102,423,300**	
II. EXPENDITURES BY CATEGORY							
Personnel Costs	70,210,600	72,213,100	72,213,100		74,835,100	74,835,100	
Operating Expenses	22,988,000	24,950,200	24,950,200		25,793,000	25,793,000	
Capital Outlay	1,611,000	2,402,300	2,402,300		1,795,200	1,795,200	
TOTAL EXPENDITURES	**94,809,600**	**99,565,600**	**99,565,600**		**102,423,300**	**102,423,300**	
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	94,029,300	97,094,200	97,094,200		99,573,700	99,573,700	
Restricted Funds	191,900	101,000	101,000		101,000	101,000	
Federal Funds	588,400	67,600	67,600		22,500	22,500	
TOTAL CURRENT	**94,809,600**	**97,262,800**	**97,262,800**		**99,697,200**	**99,697,200**	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		2,302,800	2,302,800		2,726,100	2,726,100	

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HOUSE REPORT
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Judicial
Cabinet/Function: Judicial
Agency: Court of Justice - Summary
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	Branch Budget	House	Difference	Branch Budget	House	Difference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	92,552,600	97,284,700	97,284,700		100,175,800	100,175,800	
Restricted Funds	191,900	101,000	101,000		101,000	101,000	
Federal Funds	588,400	67,600	67,600		22,500	22,500	
TOTAL FUNDS	93,332,900	97,453,300	97,453,300		100,299,300	100,299,300	
II. EXPENDITURES BY CATEGORY							
Personnel Costs	70,032,900	72,057,700	72,057,700		74,668,000	74,668,000	
Operating Expenses	21,689,000	22,993,300	22,993,300		23,836,100	23,836,100	
Capital Outlay	1,611,000	2,402,300	2,402,300		1,795,200	1,795,200	
TOTAL EXPENDITURES	93,332,900	97,453,300	97,453,300		100,299,300	100,299,300	
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	92,552,600	95,231,900	95,231,900		97,858,500	97,858,500	
Restricted Funds	191,900	101,000	101,000		101,000	101,000	
Federal Funds	588,400	67,600	67,600		22,500	22,500	
TOTAL CURRENT	93,332,900	95,400,500	95,400,500		97,982,000	97,982,000	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		2,052,800	2,052,800		2,317,300	2,317,300	

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HOUSE REPORT
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Judicial
Cabinet/Function: Judicial
Agency: Court Operations and Administration
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	Branch Budget	House	Difference	Branch Budget	House	Difference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	80,585,100	84,655,100	84,655,100		87,175,800	87,175,800	
Restricted Funds	191,900	101,000	101,000		101,000	101,000	
Federal Funds	588,400	67,600	67,600		22,500	22,500	
TOTAL FUNDS	**81,365,400**	**84,823,700**	**84,823,700**		**87,299,300**	**87,299,300**	
II. EXPENDITURES BY CATEGORY							
Personnel Costs	69,833,800	71,849,500	71,849,500		74,453,000	74,453,000	
Operating Expenses	9,920,600	10,571,900	10,571,900		11,051,100	11,051,100	
Capital Outlay	1,611,000	2,402,300	2,402,300		1,795,200	1,795,200	
TOTAL EXPENDITURES	**81,365,400**	**84,823,700**	**84,823,700**		**87,299,300**	**87,299,300**	
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	80,585,100	82,902,300	82,902,300		85,158,500	85,158,500	
Restricted Funds	191,900	101,000	101,000		101,000	101,000	
Federal Funds	588,400	67,600	67,600		22,500	22,500	
TOTAL CURRENT	**81,365,400**	**83,070,900**	**83,070,900**		**85,282,000**	**85,282,000**	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		1,752,800	1,752,800		2,017,300	2,017,300	

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	Branch Budget	FY 1992-93 House	Difference	Branch Budget	House	Difference
1/BR Circuit Court: Education Provide Funding to Continue Current Educational Programs for Circuit Judges	G	31,100	31,100		31,100	31,100	

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 Branch Budget	FY 1992-93 House	FY 1992-93 Difference	FY 1993-94 Branch Budget	FY 1993-94 House	FY 1993-94 Difference
2/BR District Court: Education Provide Funding to Continue Current Educational Programs for District Judges	G	20,200	20,200		20,200	20,200	
3/BR Circuit Clerks: Education Provide Funding to Continue Current Educational Programs Programs for Circuit Clerks	G	34,500	34,500		34,500	34,500	
4/BR Juvenile Services: Education Provide Funding to Continue Educational Programs for Court Designated Workers	G	17,200	17,200		17,200	17,200	
5/E District Court: Education Provide Funds to Expand the Continuing Education Courses and Programs for District Judges	G	27,000	27,000		27,000	27,000	
6/E Circuit Court: Provide Funds for one Additional Judgeship for the 28th Judicial Circuit	G	136,500	136,500		130,900	130,900	
7/E,M Circuit Clerks: Court Automation - Provide Funds to Continue Installation of Case Processing Systems	G	1,486,300	1,486,300		931,100	931,100	
8/E Circuit Clerks: Provide 40 Additional Deputy Clerk Positions in FY 1994	G				676,000	676,000	
9/E Juvenile Services: Provide for 3 Additional Staff Positions in FY 1994	G				77,000	77,000	
10/E Pretrial Services: Provide for 3 Additional Staff Positions in FY 1994	G				72,300	72,300	
RECAP BY FUND SOURCE	G	1,752,800	1,752,800		2,017,300	2,017,300	
GRAND T[illegible] ADDITIONAL BUDGET		1,752,800	[illegible]800		2,017,300	2,717,300	

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94 (with the following exceptions:) The Branch Budget provides a 2% salary increment for all non-elected permanent employees earning less than $20,000 per year, and a 3% salary increment in FY 1993-94 for all elected and non-elected employees. Additional funds are provided in FY 1993-94 for 3 full-time staff positions for the Pretrial Services program, 3 additional staff positions for the Juvenile Services program, and 40 additional deputy circuit court clerks. Additional funds totalling $130,000 each fiscal year are provided for educational programs for circuit and district court judges, circuit clerks, deputy circuit clerks, pre-trial services and juvenile services employees. The Branch Budget also provides additional funds totalling $1,486,300 in FY 1992-93 and $931,100 in FY 1993-94 for the continued implementation of automated case processing systems in the circuit court clerks' offices. Additional funds totalling $136,500 in FY 1992-93 and $130,900 in FY 1993-94 for one additional circuit judgeship in the 28th Judicial Circuit.

HOUSE REPORT

The House concurs with the Branch Budget, with the exception of designating the distribution of the Access to Justice fee which is to be used to reimburse attorneys, or nonprofit agencies, out-of-pocket expenses, including long distance phone expenses, expert witnesses, transcripts, other direct costs of a similar nature resulting from providing pro bono legal services for indigent persons. Projects anticipated Restricted Funds receipts from the Access to Justice Fee to be $700,000 each fiscal year.

BR_30

HOUSE REPORT
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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2/28/92
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Governmental Branch: Judicial
Cabinet/Function: Judicial
Agency: Local Facilities Fund
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	Branch Budget	House	Difference	Branch Budget	House	Difference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	11,967,500	12,629,600	12,629,600		13,000,000	13,000,000	
II. EXPENDITURES BY CATEGORY							
Personnel Costs	199,100	208,200	208,200		215,000	215,000	
Operating Expenses	11,768,400	12,421,400	12,421,400		12,785,000	12,785,000	
TOTAL EXPENDITURES	**11,967,500**	**12,629,600**	**12,629,600**		**13,000,000**	**13,000,000**	
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	11,967,500	12,329,600	12,329,600		12,700,000	12,700,000	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		300,000	300,000		300,000	300,000	

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	Branch Budget	FY 1992-93 House	Difference	Branch Budget	FY 1993-94 House	Difference
1/BR Provide Current Levels of Reimbursement for Repairs and Maintenance Costs of Occupied Court Space	G	300,000	300,000		300,000	300,000	
RECAP BY FUND SOURCE	G	**300,000**	**300,000**		**300,000**	**300,000**	
GRAND TOTAL ADDITIONAL BUDGET		**300,000**	**300,000**		**300,000**	**300,000**	

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94 (with the following exceptions:) The Branch Budget provides a 2% salary increment for all non-elected permanent employees earning less than $20,000 annually, and a 3% salary increment in FY 1993-94 for all elected and non-elected employees. Additional funds totalling $300,000 each fiscal year are provided to reimburse local governments for the court's pro rata share of necessary repairs and maintenance to court facilities.

HOUSE REPORT

The House concurs with the Branch Budget.

BR_30

HOUSE REPORT
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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2/28/92
11:26 AM

Governmental Branch: Judicial
Cabinet/Function: Judicial
Agency: Judicial Retirement
Unit:

	FY 1991-92 Budget	FY 1992-93 Branch Budget	FY 1992-93 House	Difference	FY 1993-94 Branch Budget	FY 1993-94 House	Difference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	1,476,700	2,112,300	2,112,300		2,124,000	2,124,000	
II. EXPENDITURES BY CATEGORY							
Personnel Costs	177,700	155,400	155,400		167,100	167,100	
Operating Expenses	1,299,000	1,956,900	1,956,900		1,956,900	1,956,900	
TOTAL EXPENDITURES	**1,476,700**	**2,112,300**	**2,112,300**		**2,124,000**	**2,124,000**	
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	1,476,700	1,862,300	1,862,300		1,715,200	1,715,200	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		250,000	250,000		408,800	408,800	

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 Branch Budget	FY 1992-93 House	Difference	FY 1993-94 Branch Budget	FY 1993-94 House	Difference
1/E Provide a 3% Cost-of-Living Adjustment in FY 1994, based upon service terminated prior to July 1, 1993	G				158,800	158,800	
2/E Provide Partial Funding as Required, per Acutarial Analysis	G	250,000	250,000		250,000	250,000	
RECAP BY FUND SOURCE	G	**250,000**	**250,000**		**408,800**	**408,800**	
GRAND TOTAL ADDITIONAL BUDGET		**250,000**	**250,000**		**408,800**	**408,800**	

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94 (with the following exceptions:) Additional funds totalling $250,000 each fiscal year are provided for the increase in funding rate pursuant to actuarial valuations. The Branch Budget also provides for a 3% cost-of-living adjustment in FY 1993-94 in retirement benefits for service terminated prior to July 1, 1993.

HOUSE REPORT

The House concurs with the Branch Budget.

BUDGET MEMORANDUM
FB 1992-94 JUDICIAL BRANCH BUDGET BILL

PART II. GENERAL PROVISIONS

1. **Authorized Expenditure of Funds**

Branch: States the director of the Administrative Office of the Courts with the approval of the Chief Justice may expend any funds appropriated for the court operation and administration in any lawful manner and for any legal purpose. Directs that no executive agency of state government shall have the power to restrict of limit the expenditure of funds appropriated to the judicial branch of government.

House: The House concurs with the Branch Budget.

2. **Severability Clause**

Branch: Enacts each section, subsection and each appropriations sum by specified fund or fund accounts as a separate or specific appropriation and law. Invalid provisions shall not affect remaining provisions.

House: The House concurs with the Branch Budget.

3. **Authorized Obligations**

Branch: Provides that no General Fund obligations may be incurred unless contemplated in enacted budget and documented by supporting legislative and judicial records and the statutory budget memorandum.

House: The House concurs with the Branch Budget.

4. **Enacted Budget Interim Adjustments**

Branch Provides for issuance of a final Judicial Branch Budget Document within thirty days by Administrative Office of the Courts; specifies a copy of the Judicial Branch Budget Document is to be provided to the Legislative Research Commission, and an informational copy to be provided to the Finance and Administration Cabinet.

House: The House concurs with the Branch Budget.

PART III. GENERAL FUND BUDGET REDUCTION PLAN

Branch: Establishes, pursuant to KRS 48.130, a General Fund Budget Reduction Plan for the judicial branch of government.

In the event of a shortfall in the General Fund revenue receipts which can not be offset by a pro-rata reductions for the respective branches of government, the following reductions shall be implemented in the following sequence: (1) reduction in the operating and administrative cost associated with the Court of Justice, and (2) reductions in the funding for the judicial form retirement system.

House: The House concurs with the Branch Budget.

PART IV. GENERAL FUND BUDGET SURPLUS PLAN

Branch: Establishes, pursuant to KRS 48.140, a General Fund Budget Surplus Plan for the judicial branch of government.

In the event of a surplus in the General Fund revenue receipts, the following additions shall be implemented in the following sequence: (1) increase funding for the operations and administration of the Court of Justice, and (2) increases in the funding for the judicial form retirement system.

House: The House concurs with the Branch Budget.

judbbgp-3/5/92

The Committee Substitute to **HJR 86** is as follows:

HJR 86, A JOINT RESOLUTION relating to the budget process.

WHEREAS, the Constitution of the Commonwealth of Kentucky empowers the General Assembly to make appropriations; and

WHEREAS, the Kentucky Supreme Court recognizes that the budget, which appropriates the revenue of the Commonwealth and which determines how that revenue shall be spent, is fundamentally a legislative matter; and

WHEREAS, the General Assembly has enacted into law the statutory budget process which is primarily codified as KRS Chapter 48; and

WHEREAS, the statutes provide that prior to the passage of a budget bill, the appropriations committees of the General Assembly shall prepare a budget memorandum which shall enumerate the changes made by the appropriations committees in a branch budget recommendation, and shall explain such changes in detail sufficient to convey the intent of the appropriations committees; and,

WHEREAS, the Kentucky Supreme Court has upheld the use of the budget memorandum as a valid part of the statutory budget process;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That Section 3 of this Resolution is recognized as the 1992-94 Legislative Branch Budget Memorandum and any mandates, directives, or initiatives contained in the 1992-94 Legislative Branch Budget Memorandum shall have the force and effect of law.

Section 2. That the staff of the Legislative Research Commission shall have the authority, subject to the approval of the Legislative Research Commission, to make technical or format adjustments to the 1992-94 Legislative Branch Budget Memorandum which do not alter the sense, meaning, or effect of the 1992-94 Legislative Branch Budget Bill or the 1992-94 Legislative Branch Budget Memorandum.

Section 3. The 1992-94 Legislative Branch Budget Memorandum is as follows:

1992 GENERAL ASSEMBLY

LE. LEGISLATIVE

MARCH 6, 1992

1992 GENERAL ASSEMBLY
FB 1992-94 HOUSE REPORT
GENERAL FUND SUMMARY

FUNCTION: Legislative Branch

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	Branch Budget	House	Difference	Branch Budget	House	Difference
General Assembly	13,736,600	5,798,300	5,798,300		9,264,800	9,264,800	
Legislative Research Commission	15,535,900	16,355,400	16,355,400		17,022,500	17,022,500	
Board of Ethics	19,200	20,000	20,000		20,000	20,000	
Grand Total	**29,291,700**	**22,173,700**	**22,173,700**		**26,307,300**	**26,307,300**	

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1992 GENERAL ASSEMBLY
FB 1992-94 HOUSE REPORT
RESTRICTED FUND SUMMARY

FUNCTION: Legislative Branch

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	Branch Budget	House	Difference	Branch Budget	House	Difference
General Assembly	480,000						
Legislative Research Commission	125,000	430,000	430,000		125,000	125,000	
Board of Ethics							
Grand Total	**605,000**	**430,000**	**430,000**		**125,000**	**125,000**	

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1992 GENERAL ASSEMBLY
FB 1992-94 HOUSE REPORT
FEDERAL FUND SUMMARY

FUNCTION: Legislative Branch

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	Branch Budget	House	Difference	Branch Budget	House	Difference
General Assembly							
Legislative Research Commission		100	100		100	100	
Board of Ethics							
Grand Total		**100**	**100**		**100**	**100**	

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1992 GENERAL ASSEMBLY
FB 1992-94 HOUSE REPORT
TOTAL FUNDS SUMMARY

FUNCTION: Legislative Branch

	FY 1991-92 Budget	FY 1992-93 Branch Budget	FY 1992-93 House	FY 1992-93 Difference	FY 1993-94 Branch Budget	FY 1993-94 House	FY 1993-94 Difference
General Assembly	16,930,400	5,798,300	5,798,300		9,264,800	9,264,800	
Legislative Research Commission	17,621,200	16,785,500	16,785,500		17,147,600	17,147,600	
Board of Ethics	39,800	20,000	20,000		20,000	20,000	
Grand Total	**34,591,400**	**22,603,800**	**22,603,800**		**26,432,400**	**26,432,400**	

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HOUSE REPORT
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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5:46 PM

Governmental Branch: Legislative
Cabinet/Function: Legislative

Agency: Summary
Unit:

	FY 1991-92 Budget	Branch Budget	FY 1992-93 House	Difference	Branch Budget	FY 1993-94 House	Difference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	29,291,700	22,173,700	22,173,700		26,307,300	26,307,300	
Restricted Funds	605,000	430,000	430,000		125,000	125,000	
Federal Funds		100	100		100	100	
General Fund Continuing	4,694,700						
TOTAL FUNDS	**34,591,400**	**22,603,800**	**22,603,800**		**26,432,400**	**26,432,400**	
II. EXPENDITURES BY CATEGORY							
Personnel Costs	21,526,800	16,366,200	16,366,200		19,928,600	19,928,600	
Operating Expenses	9,253,000	4,882,900	4,882,900		5,832,000	5,832,000	
Capital Outlay	787,600	1,354,700	1,354,700		671,800	671,800	
Construction	3,024,000						
University Non Breakdown							
TOTAL EXPENDITURES	**34,591,400**	**22,603,800**	**22,603,800**		**26,432,400**	**26,432,400**	
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	29,291,700	22,173,700	22,173,700		26,307,300	26,307,300	
Restricted Funds	605,000	125,000	125,000		125,000	125,000	
Federal Funds		100	100		100	100	
General Fund Continuing	4,694,700						
TOTAL CURRENT	**34,591,400**	**22,298,800**	**22,298,800**		**26,432,400**	**26,432,400**	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Restricted Funds		305,000	305,000				

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HOUSE REPORT
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Legislative
Cabinet/Function: Legislative
Agency: General Assembly
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	Branch Budget	House	Difference	Branch Budget	House	Difference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	13,736,600	5,798,300	5,798,300		9,264,800	9,264,800	
Restricted Funds	480,000						
General Fund Continuing	2,713,800						
TOTAL FUNDS	**16,930,400**	**5,798,300**	**5,798,300**		**9,264,800**	**9,264,800**	
II. EXPENDITURES BY CATEGORY							
Personnel Costs	7,499,700	2,965,500	2,965,500		5,608,300	5,608,300	
Operating Expenses	6,386,700	2,812,800	2,812,800		3,636,500	3,636,500	
Capital Outlay	20,000	20,000	20,000		20,000	20,000	
Construction Outlay	3,024,000						
TOTAL EXPENDITURES	**16,930,400**	**5,798,300**	**5,798,300**		**9,264,800**	**9,264,800**	
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	13,736,600	5,798,300	5,798,300		9,264,800	9,264,800	
Restricted Funds	480,000						
General Fund Continuing	2,713,800						
TOTAL CURRENT	**16,930,400**	**5,798,300**	**5,798,300**		**9,264,800**	**9,264,800**	

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94. General Fund support for FY 1991-92 includes $2,713,800 continued from FY 1990-91. The Branch Budget recommends any unexpended balance at the end of each fiscal year shall not lapse.

HOUSE REPORT
The House concurs with the Branch Budget.

BR_30

HOUSE REPORT
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/7/92
6:08 PM

Governmental Branch: Legislative
Cabinet/Function: Legislative
Agency: Legislative Research Commission
Unit:

	FY 1991-92 Budget	Branch Budget	FY 1992-93 House	Difference	Branch Budget	FY 1993-94 House	Difference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	15,535,900	16,355,400	16,355,400		17,022,500	17,022,500	
Restricted Funds	125,000	430,000	430,000		125,000	125,000	
Federal Funds		100	100		100	100	
General Fund Continuing	1,960,300						
TOTAL FUNDS	17,621,200	16,785,500	16,785,500		17,147,600	17,147,600	
II. EXPENDITURES BY CATEGORY							
Personnel Costs	14,009,100	13,385,700	13,385,700		14,305,300	14,305,300	
Operating Expenses	2,860,500	2,065,100	2,065,100		2,190,500	2,190,500	
Capital Outlay	751,600	1,334,700	1,334,700		651,800	651,800	
TOTAL EXPENDITURES	17,621,200	16,785,500	16,785,500		17,147,600	17,147,600	
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	15,535,900	16,355,400	16,355,400		17,022,500	17,022,500	
Restricted Funds	125,000	125,000	125,000		125,000	125,000	
Federal Funds		100	100		100	100	
General Fund Continuing	1,960,300						
TOTAL CURRENT	17,621,200	16,480,500	16,480,500		17,147,600	17,147,600	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Restricted Funds		305,000	305,000				

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	Branch Budget	FY 1992-93 House	Difference	Branch Budget	FY 1993-94 House	Difference
1/E Printshop: Provide Funding for Printing Equipment	R	305,000	305,000				
RECAP BY FUND SOURCE	R	305,000	305,000				
GRAND TOTAL ADDITIONAL BUDGET		305,000	305,000				

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94 (with the following exceptions:) The Branch Budget provides a 2% salary increment for all non-elected permanent employees earning less than $20,000 annually, and a 2% salary reduction for all non-elected employees earning greater than $50,000 annually in FY 1992-93, and a 3% salary increment in FY 1993-94 for all non-elected employees. Additional Restricted Funds totalling $305,000 in FY 1992-93 are provided for the purpose of procuring additional printing equipment. General Fund support for FY 1991-92 includes $1,760,400 continued from FY 1990-91. The Branch Budget recommends any unexpended balance at the end of each fiscal year shall not lapse.

HOUSE REPORT

The House concurs with the Branch Budget with the following exception: The House amends the provisions which reduce the salaries of employees who earn in excess of $50,000 annually by 2% in FY 1992-93, and provides that employees earning in excess of $50,000 annually shall receive no salary increment in FY 1992-93, and receive a 1% salary increment in FY 1993-94 and attaches additional conditions.

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HOUSE REPORT
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Legislative
Cabinet/Function: Legislative
Agency: Legislative Board of Ethics
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	Branch Budget	House	Difference	Branch Budget	House	Difference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	19,200	20,000	20,000		20,000	20,000	
General Fund Continuing	20,600						
TOTAL FUNDS	39,800	20,000	20,000		20,000	20,000	
II. EXPENDITURES BY CATEGORY							
Personnel Costs	18,000	15,000	15,000		15,000	15,000	
Operating Expenses	5,800	5,000	5,000		5,000	5,000	
Capital Outlay	16,000						
TOTAL EXPENDITURES	39,800	20,000	20,000		20,000	20,000	
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	19,200	20,000	20,000		20,000	20,000	
General Fund Continuing	20,600						
TOTAL CURRENT	39,800	20,000	20,000		20,000	20,000	

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94. General Fund support for FY 1991-92 includes $20,600 continued from FY 1990-91. The Branch Budget recommends any unexpended balance at the end of each fiscal year shall not lapse.

HOUSE REPORT

The House concurs with the Branch Budget.

BUDGET MEMORANDUM
FB 1992-94 LEGISLATIVE BRANCH BUDGET BILL
PART II. GENERAL PROVISIONS

1. Authorized Expenditure of Funds

Branch: States the director of the Legislative Research Commission with the approval of the Legislative Research Commission may expend any funds appropriated for the legislative operation and administration in any lawful manner and for any legal purpose. Directs that no executive agency of state government shall have the power to restrict of limit the expenditure of funds appropriated to the judicial branch of government.

House: The House concurs with the Branch Budget.

2. Travel Expenses

Branch: Requires the director of the Legislative Research Commission to submit a monthly report to the Legislative Research Commission listing any travel related expenses for each member of the General Assembly and employee of the Legislative Research Commission who was reimbursed for travel related expenses during the previous months.

House: The House concurs with the Branch Budget.

3. Out-of-State Travel Limitations

Branch: Specifies no member of the General Assembly, except members of the Legislative Research Commission, shall receive per diem compensation in excess of seven (7) days in any one fiscal year for out-of-state travel, without prior written approval from the Legislative Research Commission.

House: The House concurs with the Branch Budget.

4. Enacted Budget Interim Adjustments

Branch Provides for issuance of a final Legislative Branch Budget Document within thirty days by the Legislative Research Commission; specifies a copy of the Legislative Branch Budget Document is to be provided to the Legislative Research Commission, and an informational copy to be provided to the Finance and Administration Cabinet.

House: The House concurs with the Branch Budget.

PART III. GENERAL FUND BUDGET REDUCTION OR SURPLUS EXPENDITURE PLAN

Branch: Specifies the Legislative Branch of government shall participate in any Budget Reduction or Surplus Expenditure Plan in accordance with KRS Chapter 48.

House: The House concurs with the Branch Budget.

The Committee Substitute to **HJR 87** is as follows:

HJR 87, A JOINT RESOLUTION relating to the budget process.

WHEREAS, the Constitution of the Commonwealth of Kentucky empowers the General Assembly to make appropriations; and

WHEREAS, the Kentucky Supreme Court recognizes that the budget, which appropriates the revenue of the Commonwealth and which determines how that revenue shall be spent, is fundamentally a legislative matter; and

WHEREAS, the General Assembly has enacted into law the statutory budget process which is primarily codified as KRS Chapter 48; and

WHEREAS, the statutes provide that prior to the passage of a budget bill, the appropriations committees of the General Assembly shall prepare a budget memorandum which shall enumerate the changes made by the appropriations committees in a branch budget recommendation, and shall explain such changes in detail sufficient to convey the intent of the appropriations committees; and,

WHEREAS, the Kentucky Supreme Court has upheld the use of the budget memorandum as a valid part of the statutory budget process;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That Section 3 of this Resolution is recognized as the 1992-94 State/Executive Branch Budget Memorandum and any mandates, directives, or initiatives contained in the 1992-94 State/Executive Branch Budget Memorandum shall have the force and effect of law.

Section 2. That the staff of the Legislative Research Commission shall have the authority, subject to the approval of the Legislative Research Commission, to make technical or format adjustments to the 1992-94 State/Executive Branch Budget Memorandum which do not alter the sense, meaning, or effect of the 1992-94 State/Executive Branch Budget Bill or the 1992-94 State/Executive Branch Budget Memorandum.

Section 3. The 1992-94 State/Executive Branch Budget Memorandum is as follows:

1992 GENERAL ASSEMBLY

FB 1992-94 STATE/EXECUTIVE BRANCH BUDGET MEMORANDUM

VOLUME I

APRIL 1, 1992

1992 GENERAL ASSEMBLY

FB 1992-94 STATE/EXECUTIVE BRANCH BUDGET MEMORANDUM

AA. GENERAL AND SPECIAL PROVISIONS SECTION

APRIL 1, 1992

1992 GENERAL ASSEMBLY
FB 1992-94 BRANCH BUDGETS - GENERAL FUND SUMMARY
CONFERENCE ANALYSIS

RESOURCES	**FY 1991-92**	**FY 1992-93**	**FY 1993-94**
BALANCE			
Fund Balance	$169,321,700	$37,132,600	$23,539,300
Continued Appropriations	84,524,100	4,665,600	300,000
TOTAL BALANCE	**$253,845,800**	**$41,798,200**	**$23,839,300**
REVENUES			
Revenue Estimate			
Current/Regular	4,358,623,400	4,494,266,800	4,759,791,200
Lottery Proceeds		92,860,000	104,100,000
Other (HB401, SB335)		3,385,600	3,310,500
Total Revenue	**$4,358,623,400**	**$4,590,512,400**	**$4,867,201,700**
RESTRICTED FUNDS TRANSFER	30,198,200	16,000,000	16,500,000
TOTAL RESOURCES	**$4,642,667,400**	**$4,648,310,600**	**$4,907,541,000**
APPROPRIATIONS			
Judicial Budget	$94,029,300	$99,531,900	$102,450,200
Legislative Budget			
Current	$26,267,700	$22,173,700	$26,307,300
Continuing	4,694,700		
Capital	3,024,000		
Total Legislative	**$33,986,400**	**$22,173,700**	**$26,307,300**
Executive Budget			
Current	$4,390,825,000	$4,488,070,700	$4,758,977,800
Supplemental	4,609,700		
Continued Appropriations	52,663,800	4,365,600	300,000
Salary Equity	153,300		
Executive Operating Subtotal	**$4,448,251,800**	**$4,492,436,300**	**$4,759,277,800**
Branch Operating Subtotals	**$4,576,267,500**	**$4,614,141,900**	**$4,888,035,300**
Capital Projects	1,290,300	5,116,200	11,067,900
Branch Budget Totals	**$4,577,557,800**	**$4,619,258,100**	**$4,899,103,200**
Budget Reserve	23,500,000	5,000,000	5,000,000
Other Provisions	(500,000)	-	3,000,000
Appropriation Bills	311,400	213,200	313,200
TOTAL APPROPRIATIONS	**$4,600,869,200**	**$4,624,471,300**	**$4,907,416,400**
BALANCE	**$41,798,200**	**$23,839,300**	**$124,600**
Continued Appropriations	4,665,600	300,000	
Unobligated Balance	37,132,600	23,539,300	124,600
FINAL BALANCE	**$41,798,200**	**$23,839,300**	**$124,600**

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1992 GENERAL ASSEMBLY
FB 1992-94 MEMORANDUM
ROAD FUND BALANCE SHEET
HB 468 CONFERENCE ANALYSIS

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
RESOURCES							
Beginning Balance	28,795,000						
Non-Revenue	4,632,400	128,200	128,200	128,200	134,700	134,700	134,700
Cutback Action	9,180,900						
Official Estimate	775,438,500	773,638,100	773,638,100	773,638,100	799,665,200	799,665,200	799,665,200
Weight Distance Surtax Extension		18,400,000	18,400,000	18,400,000	19,300,000	19,300,000	19,300,000
Debt Payment Acceleration Fund Bal.		23,849,000	23,849,000	23,849,000			
TOTAL RESOURCES	**818,046,800**	**816,015,300**	**816,015,300**	**816,015,300**	**819,099,900**	**819,099,900**	**819,099,900**
APPROPRIATIONS/EXPENDITURES							
TRANSPORTATION CABINET							
General Administration & Support	50,297,600	43,627,100	43,627,100	43,627,100	44,336,400	44,336,400	44,336,400
Revenue Sharing	170,205,200	173,296,400	173,296,400	173,296,400	176,690,400	176,690,400	176,690,400
Highways	417,081,000	405,125,300	405,125,300	404,125,300	387,658,900	387,658,900	386,658,900
Vehicle Regulation	18,413,400	19,884,600	19,884,600	19,884,600	20,588,500	20,588,500	20,588,500
Debt Service	155,027,300	143,071,900	143,071,900	143,071,900	158,140,700	158,140,700	158,140,700
Total Operating Budget	**$811,024,500**	**$785,005,300**	**$785,005,300**	**$784,005,300**	**$787,414,900**	**$787,414,900**	**$786,414,900**
Total Capital Budget	**$8,474,200**	**$2,010,000**	**$2,010,000**	**$2,010,000**	**$2,685,000**	**$2,685,000**	**$2,685,000**
Budgeted Lapse	**($1,451,900)**						
TOTAL-TRANSPORTATION	**$818,046,800**	**$787,015,300**	**$787,015,300**	**$786,015,300**	**$790,099,900**	**$790,099,900**	**$789,099,900**
JUSTICE CABINET		**$27,750,000**	**$27,750,000**	**$28,750,000**	**$27,750,000**	**$27,750,000**	**$28,750,000**
REVENUE CABINET		**$1,250,000**	**$1,250,000**	**$1,250,000**	**$1,250,000**	**$1,250,000**	**$1,250,000**
TOT. APPROP.'S/EXPEND.'S	**$818,046,800**	**$816,015,300**	**$816,015,300**	**$816,015,300**	**$819,099,900**	**$819,099,900**	**$819,099,900**

1992 GENERAL ASSEMBLY
FB 1992-94 CONFERENCE ANALYSIS
GENERAL FUND SUMMARY

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
EXECUTIVE							
General Government	143,341,300	149,373,200	147,199,600	147,759,600	152,357,200	151,730,800	152,312,800
Corrections	173,429,500	175,060,600	177,632,000	175,898,000	189,922,600	189,169,100	191,127,600
Economic Development	51,725,800	53,368,700	53,210,600	53,060,600	57,749,400	57,586,600	57,436,600
Education/Humanities	312,500,100	149,047,600	149,178,700	144,178,700	150,216,900	150,352,700	148,352,700
Department of Education	1,855,670,700	2,070,224,400	2,074,025,100	2,079,205,100	2,176,865,700	2,177,866,200	2,180,046,200
Finance/Administration	29,557,800	31,649,200	31,649,200	31,649,200	36,282,300	36,282,300	36,282,300
Higher Education	702,151,400	685,440,600	688,126,500	688,779,600	707,350,800	710,127,600	710,854,600
Human Resources	780,825,800	864,247,800	864,247,800	864,747,800	950,353,900	950,353,900	952,078,900
Justice	74,726,900	45,086,000	44,694,700	43,694,700	47,698,100	46,870,000	45,870,000
Labor	1,925,000	1,771,200	1,771,200	1,771,200	1,838,200	1,838,200	1,838,200
Natural Resources/ Environmental Protection	47,403,600	43,325,300	41,409,300	43,977,700	44,656,200	42,661,700	45,324,500
Public Protection/Regulation	32,012,300	30,306,000	30,376,000	30,761,600	31,846,700	31,916,700	32,227,200
Revenue	61,096,600	57,105,800	56,105,800	56,105,800	58,788,800	57,788,800	57,788,800
Tourism	41,800,900	40,530,100	40,610,200	40,610,200	54,694,700	54,774,800	54,774,800
Transportation	4,089,800	2,677,900	2,677,900	3,677,900	2,100,400	2,100,400	3,100,400
Workforce Development	83,177,200	82,355,700	81,481,900	82,193,000	90,055,400	88,570,400	89,562,200
OPERATING SUBTOTAL	4,395,434,700	4,481,570,100	4,484,396,500	4,488,070,700	4,752,777,300	4,749,990,200	4,758,977,800
CAPITAL BUDGET	50,000	4,766,200	4,616,200	5,116,200	11,217,900	11,067,900	11,067,900
EXECUTIVE-TOTAL	**4,395,484,700**	**4,486,336,300**	**4,489,012,700**	**4,493,186,900**	**4,763,995,200**	**4,761,058,100**	**4,770,045,700**
JUDICIAL	94,029,300	99,397,000	99,531,900	99,531,900	102,299,800	102,450,200	102,450,200
LEGISLATIVE							
Operating Budget	29,291,700	22,173,700	22,173,700	22,173,700	26,307,300	26,307,300	26,307,300
Capital Projects							
COMMONWEALTH TOTAL	**4,518,805,700**	**4,607,907,000**	**4,610,718,300**	**4,614,892,500**	**4,892,602,300**	**4,889,815,600**	**4,898,803,200**

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1992 GENERAL ASSEMBLY
FB 1992-94 CONFERENCE ANALYSIS
RESTRICTED FUND SUMMARY

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
EXECUTIVE							
General Government	71,647,500	76,917,400	76,007,400	76,917,400	79,443,100	78,476,100	79,443,100
Corrections	13,422,600	14,766,400	14,366,400	14,366,400	13,192,500	12,742,500	12,742,500
Economic Development	1,964,100	1,919,500	1,868,300	1,868,300	1,947,000	1,900,600	1,900,600
Education/Humanities	6,243,200	5,477,600	5,528,800	5,528,800	5,724,900	5,771,300	5,771,300
Department of Education	1,858,700	3,065,700	3,065,700	3,065,700	2,929,600	2,929,600	2,929,600
Finance/Administration	75,013,600	78,047,900	78,047,900	78,047,900	80,303,200	80,303,200	80,303,200
Higher Education	794,589,700	822,056,000	819,056,000	820,056,000	851,603,200	853,491,400	849,603,200
Human Resources	270,108,900	332,976,600	332,976,600	332,976,600	348,940,600	348,940,600	348,940,600
Justice	30,369,500	21,184,300	21,184,300	21,184,300	21,670,700	21,670,700	21,670,700
Labor	117,335,100	130,713,400	130,713,400	130,713,400	142,300,100	142,300,100	142,300,100
Natural Resources/ Environmental Protection	23,980,800	28,554,500	31,322,300	28,572,200	29,214,100	31,975,800	29,258,400
Public Protection/Regulation	44,430,200	53,597,800	51,347,800	54,497,800	57,839,000	54,221,000	57,371,000
Revenue	122,806,400	137,812,300	138,812,300	138,812,300	147,578,300	148,578,300	148,578,300
Tourism	78,513,600	82,172,100	82,172,100	82,172,100	85,698,800	85,698,800	85,698,800
Transportation	303,450,800	12,641,900	12,641,900	12,641,900	10,386,800	10,386,800	10,386,800
Workforce Development	33,279,100	35,886,300	35,886,300	35,886,300	36,806,700	36,806,700	36,806,700
OPERATING SUBTOTAL	1,989,013,800	1,837,789,700	1,834,997,500	1,837,307,400	1,915,578,600	1,916,193,500	1,913,704,900
CAPITAL BUDGET							
EXECUTIVE-TOTAL	**1,989,013,800**	**1,837,789,700**	**1,834,997,500**	**1,837,307,400**	**1,915,578,600**	**1,916,193,500**	**1,913,704,900**
JUDICIAL	191,900	101,000	101,000	101,000	101,000	101,000	101,000
LEGISLATIVE							
Operating Budget	605,000	430,000	430,000	430,000	125,000	125,000	125,000
Capital Projects							
COMMONWEALTH TOTAL	**1,989,810,700**	**1,838,320,700**	**1,835,528,500**	**1,837,838,400**	**1,915,804,600**	**1,916,419,500**	**1,913,930,900**

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1992 GENERAL ASSEMBLY
FB 1992-94 CONFERENCE ANALYSIS
FEDERAL FUND SUMMARY

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
EXECUTIVE							
General Government	43,896,700	47,072,300	46,631,300	47,072,300	43,568,400	42,770,400	43,568,400
Corrections	1,131,100	999,200	999,200	999,200	999,200	999,200	999,200
Economic Development	283,800	120,000	120,000	120,000	123,800	123,800	123,800
Education/Humanities	4,685,000	4,117,300	4,117,300	4,117,300	4,138,400	4,138,400	4,138,400
Department of Education	268,544,200	273,040,300	273,040,300	273,040,300	278,753,600	278,753,600	278,753,600
Finance/Administration	162,000	136,500	136,500	136,500	149,800	149,800	149,800
Higher Education	142,888,400	145,378,000	145,378,000	145,378,000	147,710,500	147,710,500	147,710,500
Human Resources	2,339,161,100	2,573,259,400	2,573,259,400	2,573,259,400	2,769,156,500	2,769,156,500	2,769,156,500
Justice	12,742,400	12,457,700	12,457,700	12,457,700	12,446,100	12,446,100	12,446,100
Labor	5,100,200	5,247,400	5,247,400	5,247,400	5,502,100	5,502,100	5,502,100
Natural Resources/ Environmental Protection	36,078,200	33,626,000	33,626,000	33,626,000	32,335,900	32,335,900	32,335,900
Public Protection/Regulation	2,099,900	2,208,100	2,208,100	2,208,100	2,287,600	2,287,600	2,287,600
Revenue	166,500						
Tourism	50,000						
Transportation	205,865,900	311,172,100	311,172,100	311,172,100	287,302,500	287,302,500	287,302,500
Workforce Development	75,515,700	70,290,500	70,290,500	70,290,500	72,345,300	72,345,300	72,345,300
OPERATING SUBTOTAL	3,138,371,100	3,479,124,800	3,478,683,800	3,479,124,800	3,656,819,700	3,656,021,700	3,656,819,700
CAPITAL BUDGET							
EXECUTIVE-TOTAL	**3,138,371,100**	**3,479,124,800**	**3,478,683,800**	**3,479,124,800**	**3,656,819,700**	**3,656,021,700**	**3,656,819,700**
JUDICIAL	588,400	67,600	67,600	67,600	22,500	22,500	22,500
LEGISLATIVE							
Operating Budget		100	100	100	100	100	100
Capital Projects							
COMMONWEALTH TOTAL	**3,138,959,500**	**3,479,192,500**	**3,478,751,500**	**3,479,192,500**	**3,656,842,300**	**3,656,044,300**	**3,656,842,300**

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1992 GENERAL ASSEMBLY
FB 1992-94 CONFERENCE ANALYSIS
ROAD FUND SUMMARY

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FUNCTION: Executive

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
Revenue							
A. Tax Compliance		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
B. Property Taxation		250,000	250,000	250,000	250,000	250,000	250,000
TOTAL-REVENUE		**1,250,000**	**1,250,000**	**1,250,000**	**1,250,000**	**1,250,000**	**1,250,000**
Justice							
A. State Police		27,750,000	27,750,000	28,750,000	27,750,000	27,750,000	28,750,000
TOTAL-JUSTICE		**27,750,000**	**27,750,000**	**28,750,000**	**27,750,000**	**27,750,000**	**28,750,000**
Transportation							
A. General Adm. & Support	50,297,600	43,627,100	43,627,100	43,627,100	44,336,400	44,336,400	44,336,400
B. Revenue Sharing	170,205,200	173,296,400	173,296,400	173,296,400	176,690,400	176,690,400	176,690,400
C. Highway	417,081,000	405,125,300	405,125,300	404,125,300	387,658,900	387,658,900	386,658,900
D. Vehicle Regulation	18,413,400	19,884,600	19,884,600	19,884,600	20,588,500	20,588,500	20,588,500
E. Debt Service	155,027,300	143,071,900	143,071,900	143,071,900	158,140,700	158,140,700	158,140,700
Operating Budget Total	811,024,500	785,005,300	785,005,300	784,005,300	787,414,900	787,414,900	786,414,900
Capital Budget	8,474,200	2,010,000	2,010,000	2,010,000	2,685,000	2,685,000	2,685,000
Total-Transportation	**819,498,700**	**787,015,300**	**787,015,300**	**786,015,300**	**790,099,900**	**790,099,900**	**789,099,900**
Grand Total	**819,498,700**	**816,015,300**	**816,015,300**	**816,015,300**	**819,099,900**	**819,099,900**	**819,099,900**

1992 GENERAL ASSEMBLY
FB 1992-94 CONFERENCE ANALYSIS
TOTAL FUNDS SUMMARY

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
EXECUTIVE							
General Government	270,682,000	273,362,900	269,838,300	271,749,300	275,368,700	272,977,300	275,324,300
Corrections	188,106,600	190,826,200	192,997,600	191,263,600	204,114,300	202,910,800	204,869,300
Economic Development	57,046,100	58,080,000	57,870,700	57,970,700	59,820,200	59,611,000	59,461,000
Education/Humanities	329,257,400	158,642,500	158,824,800	153,824,800	160,080,200	160,262,400	158,262,400
Department of Education	2,154,734,100	2,346,330,400	2,350,131,100	2,355,311,100	2,458,548,900	2,459,549,400	2,461,729,400
Finance/Administration	104,733,400	109,833,600	109,833,600	109,833,600	116,735,300	116,735,300	116,735,300
Higher Education	1,640,300,800	1,652,874,600	1,652,560,500	1,654,213,600	1,706,664,500	1,711,329,500	1,708,168,300
Human Resources	3,390,095,800	3,770,483,800	3,770,483,800	3,770,983,800	4,068,451,000	4,068,451,000	4,070,176,000
Justice	117,838,800	106,478,000	106,086,700	106,086,700	109,564,900	108,736,800	108,736,800
Labor	124,360,300	137,732,000	137,732,000	137,732,000	149,640,400	149,640,400	149,640,400
Natural Resources/ Environmental Protection	107,462,600	105,505,800	106,357,600	106,175,900	106,206,200	106,973,400	106,918,800
Public Protection/Regulation	78,687,400	86,736,100	84,556,100	88,091,700	91,973,300	88,425,300	91,885,800
Revenue	185,358,600	196,168,100	196,168,100	196,168,100	207,617,100	207,617,100	207,617,100
Tourism	120,364,500	122,702,200	122,782,300	122,782,300	140,393,500	140,473,600	140,473,600
Transportation	1,326,152,600	1,272,316,800	1,272,316,800	1,272,316,800	1,087,504,600	1,087,504,600	1,087,504,600
Workforce Development	193,826,900	188,532,500	187,658,700	188,369,800	199,207,400	197,722,400	198,714,200
OPERATING SUBTOTAL	10,389,007,900	10,776,605,500	10,776,198,700	10,782,873,800	11,141,890,500	11,138,920,300	11,146,217,300
CAPITAL BUDGET							
EXECUTIVE-TOTAL	**10,389,007,900**	**10,776,605,500**	**10,776,198,700**	**10,782,873,800**	**11,141,890,500**	**11,138,920,300**	**11,146,217,300**
JUDICIAL	94,809,600	99,565,600	99,700,500	99,700,500	102,423,300	102,573,700	102,573,700
LEGISLATIVE							
Operating Budget	34,591,400	22,603,800	22,603,800	22,603,800	26,432,400	26,432,400	26,432,400
Capital Projects							
COMMONWEALTH TOTAL	**10,518,408,900**	**10,898,774,900**	**10,898,503,000**	**10,905,178,100**	**11,270,746,200**	**11,267,926,400**	**11,275,223,400**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Summary

Agency:
Unit:

	FY 1991-92 Budget	House	FY 1992-93 Senate	Conference	House	FY 1993-94 Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	4,514,146,000	4,603,140,800	4,606,102,100	4,609,776,300	4,881,384,400	4,878,747,700	4,887,735,300
General Fund Special	4,609,700						
Restricted Funds	1,989,810,700	1,838,320,700	1,835,528,500	1,837,838,400	1,915,804,600	1,916,419,500	1,913,930,900
Federal Funds	3,138,959,500	3,479,192,500	3,478,751,500	3,479,192,500	3,656,842,300	3,656,044,300	3,656,842,300
Road Fund	811,024,500	814,005,300	814,005,300	814,005,300	816,414,900	816,414,900	816,414,900
Highway Bonds		160,000,000	160,000,000	160,000,000			
General Fund Continuing	59,858,500	4,115,600	4,115,600	4,365,600	300,000	300,000	300,000
TOTAL FUNDS	**10,518,408,900**	**10,898,774,900**	**10,898,503,000**	**10,905,178,100**	**11,270,746,200**	**11,267,926,400**	**11,275,223,400**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	2,426,805,000	1,499,331,200	1,500,515,200	1,502,768,500	1,552,976,800	1,550,435,300	1,553,360,200
Operating Expenses	1,030,946,400	635,622,900	636,087,000	636,410,500	662,693,000	663,358,900	663,226,500
Grants, Loans, Benefits	5,793,512,100	6,111,545,200	6,109,254,000	6,118,197,400	6,520,604,300	6,515,023,600	6,525,478,700
Debt Service	388,652,700	315,134,300	315,134,300	310,134,300	354,961,900	354,961,900	352,961,900
Capital Outlay	122,840,600	28,405,600	28,556,800	28,408,600	26,445,900	26,435,300	26,445,900
Construction	755,652,100	695,994,200	695,994,200	694,994,200	488,669,300	488,669,300	487,669,300
University Non-Breakdown		1,612,741,500	1,612,961,500	1,614,264,600	1,664,395,000	1,669,042,100	1,666,080,900
TOTAL EXPENDITURES	**10,518,408,900**	**10,898,774,900**	**10,898,503,000**	**10,905,178,100**	**11,270,746,200**	**11,267,926,400**	**11,275,223,400**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	4,514,146,000	4,383,673,500	4,391,292,300	4,393,421,800	4,529,664,000	4,532,619,800	4,535,124,400
Restricted Funds	1,964,990,300	1,733,504,600	1,737,124,200	1,734,555,800	1,750,473,000	1,754,182,200	1,751,519,400
Federal Funds	3,138,866,000	3,056,914,800	3,056,914,800	3,056,914,800	3,097,539,000	3,097,539,000	3,097,539,000
Road Fund	811,024,500	697,147,300	699,147,300	700,872,300	706,885,000	710,885,000	710,681,000
General Fund Continuing	59,858,500	4,115,600	4,115,600	4,365,600	300,000	300,000	300,000
TOTAL CURRENT	**10,488,885,300**	**9,875,355,800**	**9,888,594,200**	**9,890,130,300**	**10,084,861,000**	**10,095,526,000**	**10,095,163,800**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		219,467,300	214,809,800	216,354,500	351,720,400	346,127,900	352,610,900
General Fund Special	4,609,700						
Restricted Funds	24,820,400	104,816,100	98,404,300	103,282,600	165,331,600	162,237,300	162,411,500
Federal Funds	93,500	422,277,700	421,836,700	422,277,700	559,303,300	558,505,300	559,303,300
Road Fund		116,858,000	114,858,000	113,133,000	109,529,900	105,529,900	105,733,900
Highway Bonds		160,000,000	160,000,000	160,000,000			
TOTAL ADDITIONAL	**29,523,600**	**1,023,419,100**	**1,009,908,800**	**1,015,047,800**	**1,185,885,200**	**1,172,400,400**	**1,180,059,600**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Summary

Agency:
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	4,390,825,000	4,481,570,100	4,484,396,500	4,488,070,700	4,752,777,300	4,749,990,200	4,758,977,800
General Fund Special	4,609,700						
Restricted Funds	1,989,013,800	1,837,789,700	1,834,997,500	1,837,307,400	1,915,578,600	1,916,193,500	1,913,704,900
Federal Funds	3,138,371,100	3,479,124,800	3,478,683,800	3,479,124,800	3,656,819,700	3,656,021,700	3,656,819,700
Road Fund	811,024,500	814,005,300	814,005,300	814,005,300	816,414,900	816,414,900	816,414,900
Highway Bonds		160,000,000	160,000,000	160,000,000			
General Fund Continuing	55,163,800	4,115,600	4,115,600	4,365,600	300,000	300,000	300,000
TOTAL FUNDS	**10,389,007,900**	**10,776,605,500**	**10,776,198,700**	**10,782,873,800**	**11,141,890,500**	**11,138,920,300**	**11,146,217,300**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	2,335,067,600	1,410,751,900	1,411,825,500	1,414,078,800	1,458,213,100	1,455,534,900	1,458,459,800
Operating Expenses	998,705,400	605,789,800	606,232,400	606,555,900	631,068,000	631,720,200	631,587,800
Grants, Loans, Benefits	5,793,512,100	6,111,545,200	6,109,254,000	6,118,197,400	6,520,604,300	6,515,023,600	6,525,478,700
Debt Service	388,652,700	315,134,300	315,134,300	310,134,300	354,961,900	354,961,900	352,961,900
Capital Outlay	120,442,000	24,648,600	24,796,800	24,648,600	23,978,900	23,968,300	23,978,900
Construction	752,628,100	695,994,200	695,994,200	694,994,200	488,669,300	488,669,300	487,669,300
University Non-Breakdown		1,612,741,500	1,612,961,500	1,614,264,600	1,664,395,000	1,669,042,100	1,666,080,900
TOTAL EXPENDITURES	**10,389,007,900**	**10,776,605,500**	**10,776,198,700**	**10,782,873,800**	**11,141,890,500**	**11,138,920,300**	**11,146,217,300**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	4,390,825,000	4,264,405,600	4,272,024,400	4,274,153,900	4,403,783,000	4,406,738,800	4,409,243,400
Restricted Funds	1,964,193,400	1,733,278,600	1,736,898,200	1,734,329,800	1,750,247,000	1,753,956,200	1,751,293,400
Federal Funds	3,138,277,600	3,056,847,100	3,056,847,100	3,056,847,100	3,097,516,400	3,097,516,400	3,097,516,400
Road Fund	811,024,500	697,147,300	699,147,300	700,872,300	706,885,000	710,885,000	710,681,000
General Fund Continuing	55,163,800	4,115,600	4,115,600	4,365,600	300,000	300,000	300,000
TOTAL CURRENT	**10,359,484,300**	**9,755,794,200**	**9,769,032,600**	**9,770,568,700**	**9,958,731,400**	**9,969,396,400**	**9,969,034,200**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		217,164,500	212,372,100	213,916,800	348,994,300	343,251,400	349,734,400
General Fund Special	4,609,700						
Restricted Funds	24,820,400	104,511,100	98,099,300	102,977,600	165,331,600	162,237,300	162,411,500
Federal Funds	93,500	422,277,700	421,836,700	422,277,700	559,303,300	558,505,300	559,303,300
Road Fund		116,858,000	114,858,000	113,133,000	109,529,900	105,529,900	105,733,900
Highway Bonds		160,000,000	160,000,000	160,000,000			
TOTAL ADDITIONAL	**29,523,600**	**1,020,811,300**	**1,007,166,100**	**1,012,305,100**	**1,183,159,100**	**1,169,523,900**	**1,177,183,100**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
SUMMARY									
General Fund			50,000	4,766,200	4,616,200	5,116,200	11,217,900	11,067,900	11,067,900
Federal Fund				84,316,100	84,316,100	84,316,100	65,626,700	65,626,700	65,626,700
Restricted Fund	1,900,000	900,000	1,850,000	302,158,500	297,900,500	309,945,500	131,149,700	147,885,700	131,512,700
Bond Fund	6,600,000	6,600,000	6,600,000	179,590,600	214,090,600	179,590,600	118,218,500	94,218,500	63,218,500
Agency Bond Fund	11,966,000	11,966,000	11,966,000	25,000,000	25,000,000	25,000,000			
Road Fund				2,010,000	2,010,000	2,010,000	2,685,000	2,685,000	2,685,000
Other							12,500,000	12,500,000	12,500,000
Investment Income				14,556,000	14,556,000	14,556,000	13,166,500	13,166,500	13,166,500
Capital Construction Surplus				1,678,000	1,678,000	1,678,000	1,526,000	1,526,000	1,526,000
Surplus Bond Proceeds	197,000	197,000	197,000	6,291,500	6,291,500	6,291,500			
TOTAL	**20,663,000**	**19,663,000**	**20,663,000**	**620,366,900**	**650,458,900**	**628,503,900**	**356,090,300**	**348,676,300**	**301,303,300**

CONFERENCE ANALYSIS RECORD
FB 1992-94 STATE/EXECUTIVE BUDGET BILL
BUDGET MEMORANDUM

GENERAL AND SPECIAL PROVISIONS SECTIONS

PART III. GENERAL PROVISIONS

1. Interim Appropriations Revision Authority

Branch: (a) Allows unbudgeted Restricted Funds and Federal Funds receipts and prior year funds balances, which exceed stated appropriations sums in Budget Act, to be made available for expenditure only on compliance with specified procedures and conditions and with the authorization of State Budget Director and approval by Finance Secretary;

(b) Directs no appropriations from any fund source to exceed the amount specified in the Executive/State Budget Act nor allotment of an unbudgeted appropriation without prior submission to, review and action of the Interim Joint Committee on Appropriations and Revenue. Requires agency requests to the State Budget Director and the Interim Joint Committee to document cause, need, use and source for excess and unbudgeted appropriations. Directs proposed revisions authorized by the State Budget Director to be transmitted 20 days prior to regular meeting date to the Committee which reviews proposed adjustments for conformity with the purposes of original appropriations and enacted budget, the provisions of the Executive/ State Budget Act or statutes and the statutory budget memorandum. If the Appropriations and Revenue Committee objects to the revision, the State Budget Director either modifies the adjustment or declares in writing non-compliance with the Committee's objection. Legislative Research Commission (LRC) maintains records of the Committee's findings and determinations and the actions of the State Budget Director and transmits these records to the 1994 General Assembly;

(c) Requires emergency revisions due to declared natural disaster, calamity or impending deficit in an account to be certified by the Governor, approved by the Finance Secretary with concurrent notification by the State Budget Director to the Appropriations and Revenue Committee of any action and justification;

(d) Permit revised allotments within appropriations units for activities and purposes contained in the enacted budget and document to be authorized by the State Budget Director and requires requests and determinations to be transmitted to the Appropriations and Revenue Committee prior to implementation;

(e) If an unlisted budget unit receives unanticipated Restricted Funds or Federal Funds, authorizes the agency head to request and expend funds upon recommendation of GOPM, review of the Interim Committee and authorization by Finance Secretary. A separate fund account must be established for this purpose. Notice is to be provided to LRC; and

(f) States that no state agency may decline to participate in 100% federally funded programs without notice to Appropriations and Revenue and State Budget Director.

House: House concurs with Branch Recommendation except for the following revisions: exempts institutions of higher education from required approval by State Budget Director for expenditure of unbudgeted Restricted and Federal funds prior to obligation for expenditure. Information reports to the Committee and the State Budget Director are required. Timetable and procedure for Committee review and actions are changed.

Senate: Senate concurs with House, except deletes reporting requirement prior to obligation.

Conference Conference concurs with Senate.

2. Powers and Interpretations of Secretary of Finance and Administration

Branch: States that statutory powers and duties of Finance Secretary are not affected by provisions in the Executive/State Budget Act unless explicitly authorized as well as provides that interpretive questions about purpose or manner of expenditure of appropriations are decided under KRS 48.500 and decisions are final and conclusive.

House: House concurs with provision.

Senate: Senate concurs with provision.

Conference Conference concurs with provision.

3. Severability Clause

Branch: Enacts each section, subsection and each appropriation sum by specified fund or fund accounts as a separate or specific appropriation and law. Invalid provisions shall not affect remaining provisions.

House: House concurs with provision.

Senate Senate concurs with provision.

Conference Conference concurs with provision.

4. Federal Cost Allocation

Branch: Authorizes Finance Secretary to prorate, by formula or system, administrative costs of Finance/Administration Cabinet, Treasury and Law relating to programs in which federal and state governments participate jointly. Receipts and allotments must be reported to Interim Joint Committee on Appropriations and Revenue prior to transfer.

House: House concurs with provision.

Senate: Senate concurs with provision.

Conference Conference concurs with provision.

5. Continuing Appropriations

Branch: Repeals all statutory continuing appropriations except for provisions in KRS Chapters 42, 96A, 164, 183, 278 and 441. All conflicting statutes are repealed unless otherwise provided in Budget Act.

House: House concurs with provision.

Senate: Senate concurs with provision.

Conference: Conference concurs with provision.

6. Authorized Obligations

Branch: Provides that no General Fund or Road Fund obligations may be incurred unless contemplated in enacted budget and documented by supporting legislative and executive records and the statutory budget memorandum.

House: House concurs with provision.

Senate Senate concurs with provision.

Conference Conference concurs with provision.

7. Anticipated Federal Funds

Branch: Requires that General Fund or Road Fund appropriations which are due to anticipated lack, loss or reduction in Federal funds must lapse to the extent Federal Funds become available.

House: House concurs with provision.

Senate Senate concurs with provision.

Conference Conference concurs with provision.

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8. Enacted Budget Interim Adjustments

Branch Provides for issuance of final Commonwealth Budget Document within sixty days by Governor's Office for Policy and Management based upon enacted appropriations, supporting documents and the statutory budget memorandum; specifies format of content for budget oversight by the Interim Joint Committee on Appropriations and Revenue and budget execution by the Governor's Office for Policy and Management and conditions interim budget revision only on approval by the Governor's Office for Policy and Management and action by Interim Joint Committee on Appropriations and Revenue.

House: House concurs with provision.

Senate Senate concurs with provision.

Conference Conference concurs with provision.

9. Debt Service Lapse

Branch If bonded capital/equipment projects are cancelled or if appropriated debt service requirement is less due to favorable interest rates, refinancing or timing variances, directs that General Fund or Road Fund debt service appropriations remain unallotted and lapses to the respective surplus account.

House: House concurs with provision.

Senate Senate concurs with provision.

Conference Conference concurs with provision.

10. Resource Recovery Road Debt Service

Branch: Directs Road Fund support for lease rental payment for Resource Recovery Road Projects under KRS 143.090. If Road Fund resources are insufficient, the additional required amounts shall be transferred from coal severance tax receipts under KRS 143.020.

House: House concurs with provision.

Senate Senate concurs with provision.

Conference Conference concurs with provision.

11. Unauthorized Expenditures and Transfers

Branch: Restricts appropriations to purposes specifically authorized by General Assembly in the Budget Act and prohibits transfers of appropriations among budget units without specific authorization and directs compliance review and determination by Interim Joint Committee on Appropriations and Revenue.

House: House concurs with provision.

Senate Senate concurs with provision.

Conference Conference concurs with provision.

12. Reorganization Orders

Branch: Provides that budget bill does not confirm or ratify any executive reorganization order not enacted by the 1992 General Assembly and directs Finance Secretary to restore funding for affected budget units for FY 1991-92, FY 1992-93 and FY 1993-94 and inform LRC.

House: House concurs with provision.

Senate Senate concurs with provision.

Conference Conference concurs with provision.

13. Duplicate Appropriations Provisions

Branch: States that duplicate appropriations in the Budget Act and other Acts for the same purpose and amount be construed as a single appropriation sum to the extent of duplicated amounts.

House: House concurs with provision.

Senate Senate concurs with provision.

Conference Conference concurs with provision.

14. Budget Reserve Trust Fund

Branch: Establishes and appropriates $5,000,000 in each of FY 1993 and FY 1994 from General Fund to the Budget Reserve Trust Fund. Specifies uses: (1) If General Fund receipts are insufficient to meet General Fund appropriations levels; and (2) for emergency and mandated expenditures authorized in Budget Act. Requires approval of Governor and communicating any allotment or expenditures to Interim Joint Committee on Appropriations and Revenue by Finance Secretary. Any unexpended balance of the FY 1991-92 Budget Reserve Fund, and the FY 1992-93 fund balance are continued.

House: House concurs with provision.

Senate Senate concurs with provision.

Conference Conference concurs with provision.

15. Confirmation and Enactment of Budget Reduction Order 92-484 by the Finance and Administration Secretary for FY 1991-92.

Branch: States the intent of the General Assembly to ratify and confirm the appropriations levels, reductions of appropriations and various other actions set forth and provided by Order 92-484 of the Secretary of Finance and Administration as the General Fund and Road Fund appropriations for FY 1991-92 for units of the Government of the Commonwealth and states the intent, notwithstanding any other law, to ratify and confirm all advanced funds, transfers and lapses to the General Fund or Road Fund respectively and the General Assembly expressly adopts and enacts the appropriations levels contained in Order 92-484 except that specified appropriation amounts, contained therein, are reinstated for the Department for Health Services ($2,143,500), Department for Mental Health and Mental Retardation Services ($2,837,100), Legislative Branch ($372,200) and Judicial Branch ($1,855,700).

House: House replaces provisions to acknowledge certifications by each branch for reductions, transfers and related actions in compliance with statutes and 1990-92 enacted plan.

Senate Senate concurs with House.

Conference Conference concurs with House and Senate.

16. Kentucky Employer Retirement System Employer Contribution Rate

Branch: Suspends KRS 61.655 and establishes maximum employer contribution rates for KERS non-hazardous duty employees at 7.65%, for hazardous duty employees at 15.05% and the State Police System employees at 19.57%, for the period July 1, 1992, through June 30, 1994.

House: House concurs with provision.

Senate Senate concurs with provision.

Conference Conference concurs with provision.

17. Establishes Access to Justice Program and Provides Revenue

House: Enacts Access to Justice Program for out-of-pocket legal costs in pro-bono cases for indigent clients and funds program with $5 filing fee in civil actions. Fee receipts are placed in a Restricted funds account and made available to qualifying local agencies under prescribed guidelines by the Administrative Office of the Courts.

Senate Senate deletes the provision.

Conference Conference concurs with Senate.

18. Technical Corrections in General Appropriations Act

Senate Declares that totals and subtotals in general appropriations bills and acts are information items and states procedures for technical corrections by the Legislative Research Commission.

Conference Conference concurs with Senate

19. Surplus Chamber Chairs.

Conference: Authorizes sale of legislative chairs to current or former members of the General Assembly, upon declaration as surplus, at a purchase price set by the Office of Historical Properties and provides that proceeds shall be used to purchase replacement items.

20. Tax Expenditures Report.

Conference: Directs the Finance and Administration Cabinet to provide, by October 15, 1993, detailed estimates for the General Fund and Road Fund of the revenue loss due to tax expenditure laws and regulations for FY 1993-94 and FB 1994-96 with the assistance of the Revenue Cabinet.

PART IV. STATE SALARY/COMPENSATION AND EMPLOYMENT POLICY

Branch: **States the findings and intent of the General Assembly that the financial condition of state government requires the following actions:**

1. **Suspends KRS 15.755, 15.756, 16.050, 18A.355, 64.055, 64.480, 64.485 and 151B.035(7)(e) to provide that salaries of state officers, officials and employees for FY 1992-93 shall not be incremented over FY 1991-92 except as specified in Executive/State Budget Bill.**
2. **Suspends statutes to provide that salaries of state officers, officials and employees for FY 1993-94 shall be incremented by three percent over FY 1992-93.**
3. **Establishes Salary Enhancement Fund as a compensation increase program to provide a two percent increase of salary in FY 1992-93 to permanent, full-time classified employees whose salaries on July 1, 1992, are $20,000 or less per year and provides that the increase will be part of base salary. Compensation increases may be paid from available operating budget funds sources, excluding debt service appropriations, in addition to the specific designated appropriation to the Fund.**
4. **Suspends the provisions of 18A.110(3)(a) to provide that the salary of all non-elected Executive Branch officers, officials and employees whose salary on July 1, 1992 exceeds $50,000 per annum, shall be reduced by two percent in FY 1992-93.**
5. **Establishes a bonus payment program to reward permanent, full-time classified employees in FY 1992-93 and FY 1993-94 to be paid from all sources of funds in the Operating Budget, excluding debt service appropriations, available due to productivity savings and management efficiencies. Department of Personnel will define and administer program. Bonus payments shall be lump-sum and shall not become part of regular salary or compensation of the employee.**
6. **Suspends KRS 18A.113, 18A.1131 and 18A.1132 to authorize the Commissioner of Personnel to approve layoff plans developed by Executive Branch agencies pursuant to and in conformity with the enacted Executive/State Budget and to transmit approved layoff plans to the Interim Joint Committee on Appropriations and Revenue.**

House: House concurs with provisions with following exceptions: expands definition to include contractual or otherwise paid employees; salary of all non-elected employees earning $50,000 or more is revised to provide zero increment in FY 1992-93 and 1% increment in FY 1993-94; deletes the bonus payment program and layoff provisions; and suspends policy for non-elected branch employees earning more than $50,000 if legal related costs and liabilities accrue to at least $375,000.

Senate Senate concurs with House provisions with the following exceptions: An annualized increment of $360 is provided to employees earning $20,000 or less; elected officials are subject to salary increment policy. The provisions of 16.050, KRS 18A.110, 18A.155 and 151B.035 are suspended to restrict salary improvement for classes of employees unless necessity is certified by the Governor; the maintenance of a budgeted position record is required.

Conference Conference concurs with Senate and revises procedures for maintaining the budgeted position record and requires reports.

PART V. FUNDS TRANSFER

Branch Suspends statutes and finds that the financial condition of state government requires that enumerated restricted and special funds be transferred to the General Fund in FY 1992-93 and FY 1993-94 in the following amounts:

		FY 1992-93	FY 1993-94
1.	Law Enforcement Foundation Fund - (KRS 15.430-500; 42.190; 136.392)	$1,000,000	$1,000,000
2.	Fire and Tornado Insurance Fund - (KRS 56.095; 56.150; 56.180)	2,000,000	2,000,000
3.	Insurance - (KRS 304.2-300; 304.2-440)	2,000,000	2,000,000
4.	Financial Institutions - (KRS 287.485)	250,000	250,000
5.	Professional Firefighter Foundation Fund - (KRS 95A.220; 42.190; 136.392)	6,000,000	5,500,000
6.	Economic Development Bond Repayments - (KRS Chapter 47)	3,000,000	4,000,000
7.	Capital Construction Investment Income	1,500,000	1,500,000
	Total	$15,750,000	$16,250,000

House: House concurs with Branch recommendation with these exceptions: $1,600,000 is transferred from Economic Development Bond Repayments in FY 1991-92 and increases Insurance Department transfers by $250,000 in each fiscal year.

Senate Senate concurs with House.

Conference Conference concurs with House.

PART VI. GENERAL FUND BUDGET REDUCTION PLAN

Branch: Establishes, pursuant to KRS 48.130, a General Fund Budget Reduction Plan for state government exempting direct services and obligations essential to the minimum level of constitutional functions.

In the event of a shortfall in the General Fund revenue receipts of $4,587,126,800 in FY 1992-93 and $4,863,891,200 in FY 1993-94, directs the heads of the executive, judicial and legislative branches to implement pro-rata reductions for their respective branches in the following sequence: (1) Adjust Local Government Economic Assistance Fund to equal revised receipts,pursuant to KRS 42.450; (2) Applies available funds in the General Fund Surplus Account under KRS 48.700; (3) Applies the Budget Reserve Trust Fund not to exceed $23,500,000; (4) Applies accrued funds resulting from personnel vacancies and turnover, reduced debt service requirements, operating savings or reduced capital outlay; (5) Applies transfers of excess or unbudgeted restricted operating funds, excluding fiduciary funds or dedicated statutory funds; and (6) If outlined actions are insufficient, empowers the Governor to take all necessary actions to balance the budget.

House: House substitutes provisions to state the responsibilities of each branch and the general reductions priorities sequence to be implemented before operating budget reductions are applied..

Senate Senate concurs with House.

Conference Conference concurs with House.

PART VII. ROAD FUND BUDGET REDUCTION PLAN

Branch: Establishes, pursuant to KRS 48.130, a Road Fund Budget Reduction plan for FY 1992-93 and FY 1993-94.

In the event of a shortfall in Road Fund receipts of at least two and one half percent but not more than five percent of the revenues under KRS 48.120, directs the Governor to implement sufficient reductions required to protect highest possible service level.

House: House substitutes provisions itemizing specific unit reductions and sequence.

Senate Senate concurs with Branch.

Conference Conference concurs with House.

PART VIII. ROAD FUND SURPLUS EXPENDITURE PLAN

Branch:	Establishes pursuant to KRS 48.140, a Road Fund Surplus Expenditure Plan to provide additional money for non-recurring expenditures for which no appropriation is made in the Budget Bill or for a statutory program or service for which insufficient or no appropriation has been made. Authorizes, after determination of the amount of surplus by the Finance Secretary, the Transportation Secretary to expend fifty percent of surplus receipts for the Highway Construction Contingency Account pursuant to KRS Chapter 45 and to deposit fifty percent to the Secretary's Emergency Fund for use in accordance with the Budget Bill.
House:	House concurs except to direct fifty percent to Road Fund Surplus Account and places $8 million limit for Contingency Account.
Senate	Senate concurs with House.
Conference	Conference directs 100%, up to $19.3 million, be applied to satisfy the weight-distance surtax sunset provision in FY 1992-93; concurs with House and Senate in FY 1993-94 Plan.

PART IX. SPECIAL PROVISIONS

House:	House enumerates provisions which enact specified conditions, directives and mandates by Budget Unit.
Senate	Senate enumerates provisions which enact specific conditions, directives and mandates consistent with its amendment.
Conference	Conference enumerates provisions consistent with the Conference Report.

1992 GENERAL ASSEMBLY

FB 1992-94 STATE/EXECUTIVE BRANCH BUDGET MEMORANDUM

GO. GENERAL GOVERNMENT

APRIL 1, 1992

1992 GENERAL ASSEMBLY
FB 1992-94 CONFERENCE ANALYSIS
GENERAL FUND SUMMARY

FUNCTION: General Government

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
Executive Office of the Governor							
Governor's Office	4,434,000	3,801,000	3,801,000	3,801,000	3,797,100	3,797,100	3,797,100
Policy & Management	1,847,100	1,789,900	1,789,900	1,789,900	1,846,000	1,846,000	1,846,000
State Planning Fund	138,500	225,000	225,000	225,000	225,000	225,000	225,000
Coal & Energy Policy	895,300						
Total- Executive Office of the Governor	7,314,900	5,815,900	5,815,900	5,815,900	5,868,100	5,868,100	5,868,100
Lt. Governor	560,000	543,200	543,200	543,200	559,500	559,500	559,500
Secretary of State	1,618,900	1,618,900	1,618,900	1,618,900	1,667,500	1,667,500	1,667,500
Board of Elections	3,328,000	3,328,000	3,328,000	3,328,000	3,427,800	3,427,800	3,427,800
Treasury	1,471,800	1,369,500	1,369,500	1,369,500	1,410,600	1,410,600	1,410,600
Department of Law	7,166,800	7,366,800	7,866,800	7,666,800	7,581,800	8,081,800	7,881,800
Unified Prosecutorial System							
Commonwealth Attorneys	11,202,100	11,202,100	11,394,500	11,394,500	11,538,200	11,538,200	11,568,200
County Attorneys	11,999,400	12,174,400	11,999,400	12,019,400	12,379,300	12,359,300	12,379,300
Total Unified Prosecutorial System	23,201,500	23,376,500	23,393,900	23,413,900	23,917,500	23,897,500	23,947,500
Auditor of Public Accounts	3,475,000	3,475,000	3,475,000	3,475,000	3,579,300	3,579,300	3,579,300
Dept. of Agriculture	11,252,100	11,759,300	11,759,300	11,759,300	12,103,100	12,103,100	12,103,100
Superintendent of Public Instruction	2,700	5,500	5,500	5,500	5,900	5,900	5,900
Dept. of Military Affairs	16,116,700	14,588,300	13,728,300	14,468,300	16,183,000	15,451,000	16,183,000
Dept. of Personnel	4,588,400	7,494,500	5,523,500	5,523,500	6,651,700	7,059,800	7,059,800
Personnel Board	427,700	427,700	427,700	427,700	440,500	440,500	440,500
Dept. of Local Government	5,982,700	5,882,000	5,882,000	5,882,000	5,516,200	5,516,200	5,516,200
County Costs	13,599,700	14,077,800	14,077,800	14,077,800	14,077,800	14,077,800	14,077,800
Special Funds	35,602,000	40,084,800	40,084,800	40,084,800	41,094,000	41,094,000	41,094,000
General Obligation Bonds	2,056,900	2,054,200	2,054,200	2,054,200	2,054,500	2,054,500	2,054,500
Financial Disclosure Review Comm.	62,600	69,000	69,000	69,000	71,100	71,100	71,100
Miscellaneous Appropriations	3,693,500	3,317,500	3,317,500	3,317,500	3,374,500	3,374,500	3,374,500
Flood Control Advisory Comm.	126,500	147,100	147,100	147,100	151,000	151,000	151,000
Commission on Human Rights	1,498,500	1,422,800	1,562,800	1,562,800	1,465,500	1,605,500	1,605,500
Commission on Women	194,400	167,100	167,100	167,100	172,100	172,100	172,100

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
County Fees							
Kentucky Retirement System		922,500	922,500	922,500	922,500		
Boards and Commissions							
Office of Governmental Services							
Capital Plaza Authority		59,300	59,300	59,300	61,700	61,700	61,700
Operating Budget Total	143,341,300	149,373,200	147,199,600	147,759,600	152,357,200	151,730,800	152,312,800
Capital Budget							
Grand Total	**143,341,300**	**149,373,200**	**147,199,600**	**147,759,600**	**152,357,200**	**151,730,800**	**152,312,800**

3/30/92 3:19 PM
331/cgfspec

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

331.xls
3/30/92
3:03 PM

Governmental Branch: Executive
Cabinet/Function: General Government
Agency: Summary
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	143,088,600	149,373,200	147,199,600	147,759,600	152,357,200	151,730,800	152,312,800
General Fund Special	252,700						
Restricted Funds	71,647,500	76,917,400	76,007,400	76,917,400	79,443,100	78,476,100	79,443,100
Federal Funds	43,896,700	47,072,300	46,631,300	47,072,300	43,568,400	42,770,400	43,568,400
General Fund Continuing	11,796,500						
TOTAL FUNDS	**270,682,000**	**273,362,900**	**269,838,300**	**271,749,300**	**275,368,700**	**272,977,300**	**275,324,300**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	122,239,900	130,029,400	127,224,300	128,399,600	134,435,000	132,858,300	134,319,400
Operating Expenses	50,001,500	50,352,100	49,632,600	50,368,300	51,631,900	50,817,200	51,703,100
Grants, Loans, Benefits	92,997,600	88,456,900	88,456,900	88,456,900	84,774,000	84,774,000	84,774,000
Debt Service	2,293,200	2,290,000	2,290,000	2,290,000	2,290,500	2,290,500	2,290,500
Capital Outlay	3,149,800	2,153,700	2,153,700	2,153,700	2,156,500	2,156,500	2,156,500
Construction		80,800	80,800	80,800	80,800	80,800	80,800
TOTAL EXPENDITURES	**270,682,000**	**273,362,900**	**269,838,300**	**271,749,300**	**275,368,700**	**272,977,300**	**275,324,300**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	143,088,600	142,762,800	142,762,800	142,762,800	147,529,800	147,529,800	147,529,800
Restricted Funds	71,016,300	74,450,900	74,450,900	74,450,900	75,047,500	75,047,500	75,047,500
Federal Funds	43,896,700	46,561,400	46,561,400	46,561,400	42,770,400	42,770,400	42,770,400
General Fund Continuing	11,796,500						
TOTAL CURRENT	**269,798,100**	**263,775,100**	**263,775,100**	**263,775,100**	**265,347,700**	**265,347,700**	**265,347,700**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		6,610,400	4,436,800	4,996,800	4,827,400	4,201,000	4,783,000
General Fund Special	252,700						
Restricted Funds	631,200	2,466,500	1,556,500	2,466,500	4,395,600	3,428,600	4,395,600
Federal Funds		510,900	69,900	510,900	798,000		798,000
TOTAL ADDITIONAL	**883,900**	**9,587,800**	**6,063,200**	**7,974,200**	**10,021,000**	**7,629,600**	**9,976,600**

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3/24/92
4:42 PM

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive
Cabinet/Function: General Government

Agency: **Executive Office of the Governor**
Unit: **Office of the Governor**

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	4,184,000	3,801,000	3,801,000	3,801,000	3,797,100	3,797,100	3,797,100
General Fund Special	250,000						
Restricted Funds	234,700	236,900	236,900	236,900	179,700	179,700	179,700
General Fund Continuing	1,004,800						
TOTAL FUNDS	**5,673,500**	**4,037,900**	**4,037,900**	**4,037,900**	**3,976,800**	**3,976,800**	**3,976,800**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	3,508,200	3,134,100	3,134,100	3,134,100	3,092,000	3,092,000	3,092,000
Operating Expenses	1,139,200	903,800	903,800	903,800	866,900	866,900	866,900
Grants, Loans, Benefits	1,004,800						
Capital Outlay	21,300				17,900	17,900	17,900
TOTAL EXPENDITURES	**5,673,500**	**4,037,900**	**4,037,900**	**4,037,900**	**3,976,800**	**3,976,800**	**3,976,800**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	4,184,000	3,801,000	3,801,000	3,801,000	3,797,100	3,797,100	3,797,100
Restricted Funds	234,700	236,900	236,900	236,900	179,700	179,700	179,700
General Fund Continuing	1,004,800						
TOTAL CURRENT	**5,423,500**	**4,037,900**	**4,037,900**	**4,037,900**	**3,976,800**	**3,976,800**	**3,976,800**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund Special	250,000						

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94 with the following exceptions:

The Office of Cultural Affairs is abolished.

The Governor's Scholars Program and the Governor's School for the Arts are transferred to Secretary's Office of the Education and Humanities Cabinet.

A special appropriation of $250,000 in FY 1991-92 from the General Fund is provided to further the activities of the Bicentennial Commission.

HOUSE REPORT

The House concurs with the Branch recommendation and directs that any unexpended balance of the General Fund appropriation to the Bicentennial Commission at the end of FY 1991-92 shall not lapse but be carried forward into FY 1992-93.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

BR_15

CONFERENCE ANALYSIS
CURRENT YEAR BUDGET REQUESTS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

331070AO.XLS
3/25/92
10:45 AM

Governmental Branch: Executive
Cabinet/Function: General Government

Agency: **Executive Office of the Governor**
Unit: **Office of the Governor**

	Request	Branch	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:					
FUND SOURCE					
General Fund	5,188,800	4,184,000	4,184,000	4,184,000	4,184,000
General Fund Special		250,000	250,000	250,000	250,000
Restricted Funds	234,700	234,700	234,700	234,700	234,700
General Fund Continuing		1,004,800	1,004,800	1,004,800	1,004,800
TOTAL FUNDS	**5,423,500**	**5,673,500**	**5,673,500**	**5,673,500**	**5,673,500**
II. EXPENDITURES BY CATEGORY					
Personnel Costs	3,508,200	3,508,200	3,508,200	3,508,200	3,508,200
Operating Expenses	889,200	1,139,200	1,139,200	1,139,200	1,139,200
Grants, Loans, Benefits	1,004,800	1,004,800	1,004,800	1,004,800	1,004,800
Capital Outlay	21,300	21,300	21,300	21,300	21,300
TOTAL EXPENDITURES	**5,423,500**	**5,673,500**	**5,673,500**	**5,673,500**	**5,673,500**
III. CURRENT SERVICES BUDGET					
FUND SOURCE					
General Fund	5,188,800	4,184,000	4,184,000	4,184,000	4,184,000
Restricted Funds	234,700	234,700	234,700	234,700	234,700
General Fund Continuing		1,004,800	1,004,800	1,004,800	1,004,800
TOTAL CURRENT	**5,423,500**	**5,423,500**	**5,423,500**	**5,423,500**	**5,423,500**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE					
FUND SOURCE					
General Fund Special		250,000	250,000	250,000	250,000

V. ADDITIONAL BUDGET ITEMS/CURRENT YEAR

Item# /Type Service Unit/Description	**Fund Source /Subtotal**	**Request**	**Branch Budget**	**House**	**Senate**	**Conference**
1/E. Additional Operating Expenses for the Bicentennial Commision.	GS		250,000	250,000	250,000	250,000
GRAND TOTAL			**250,000**	**250,000**	**250,000**	**250,000**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

331765BO.XLS
3/24/92
5:57 PM

Governmental Branch: Executive
Cabinet/Function: General Government

Agency: Executive Office of the Governor
Unit: Governor's Office for Policy & Management

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	1,847,100	1,789,900	1,789,900	1,789,900	1,846,000	1,846,000	1,846,000
Restricted Funds	40,500	50,800	50,800	50,800	51,500	51,500	51,500
TOTAL FUNDS	**1,887,600**	**1,840,700**	**1,840,700**	**1,840,700**	**1,897,500**	**1,897,500**	**1,897,500**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	1,435,600	1,426,500	1,426,500	1,426,500	1,470,800	1,470,800	1,470,800
Operating Expenses	392,000	403,900	403,900	403,900	415,700	415,700	415,700
Capital Outlay	60,000	10,300	10,300	10,300	11,000	11,000	11,000
TOTAL EXPENDITURES	**1,887,600**	**1,840,700**	**1,840,700**	**1,840,700**	**1,897,500**	**1,897,500**	**1,897,500**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	1,847,100	1,789,900	1,789,900	1,789,900	1,846,000	1,846,000	1,846,000
Restricted Funds	40,500	50,800	50,800	50,800	51,500	51,500	51,500
TOTAL CURRENT	**1,887,600**	**1,840,700**	**1,840,700**	**1,840,700**	**1,897,500**	**1,897,500**	**1,897,500**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94.

HOUSE REPORT
The House concurs with the Branch Budget recommendation.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the House and the Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

331765BA.XLS
3/24/92
5:51 PM

Governmental Branch: Executive
Cabinet/Function: General Government
Agency: Executive Office of the Governor
Unit: State Planning Fund

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	138,500	225,000	225,000	225,000	225,000	225,000	225,000
II. EXPENDITURES BY CATEGORY							
Grants, Loans, Benefits	138,500	225,000	225,000	225,000	225,000	225,000	225,000
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	138,500	200,000	200,000	200,000	200,000	200,000	200,000
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		25,000	25,000	25,000	25,000	25,000	25,000

V. ADDITIONAL BUDGET ITEMS

Item#	**Fund Source**		**FY 1992-93**			**FY 1993-94**	
/Type Service Unit/Description	**/Subtotal**	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
1/E. Provide more funds for central planning purposes to ensure services are provided in most efficient means possible.	G	25,000	25,000	25,000	25,000	25,000	25,000
RECAP BY FUND SOURCE	**G**	**25,000**	**25,000**	**25,000**	**25,000**	**25,000**	**25,000**
GRAND TOTAL ADDITIONAL BUDGET		**25,000**	**25,000**	**25,000**	**25,000**	**25,000**	**25,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommendation provides for increased funding in the amount of $250,000 each year for the State Planning Fund.

HOUSE REPORT

The House recommends increased funding in the amount of $25,000 each year for the planning fund. A $25,000 grant in each year shall be awarded to the Bluegrass State Games to assist with planning and production of the Games.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and the Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

331768AA.XLS
3/24/92
4:58 PM

Governmental Branch: Executive
Cabinet/Function: General Government
Agency: **Gov.'s Office for Coal and Energy Policy**
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	895,300						
Restricted Funds	52,500						
Federal Funds	114,000						
TOTAL FUNDS	**1,061,800**						
II. EXPENDITURES BY CATEGORY							
Personnel Costs	793,200						
Operating Expenses	190,000						
Grants, Loans, Benefits	70,600						
Capital Outlay	8,000						
TOTAL EXPENDITURES	**1,061,800**						
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	895,300						
Restricted Funds	52,500						
Federal Funds	114,000						
TOTAL CURRENT	**1,061,800**						

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends abolishing the Governor's Office for Coal and Energy Policy. The marketing and coal policy functions have been moved to the Economic Development Cabinet.

HOUSE REPORT
The House concurs with the Branch Budget recommendation.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the House and the Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

331085BO.XLS
3/24/92
5:28 PM

Governmental Branch: Executive
Cabinet/Function: Lieutenant Governor's Office
Agency: Lieutenant Governor's Office
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	560,000	543,200	543,200	543,200	559,500	559,500	559,500
II. EXPENDITURES BY CATEGORY							
Personnel Costs	443,300	470,500	470,500	470,500	485,600	485,600	485,600
Operating Expenses	106,700	72,700	72,700	72,700	73,900	73,900	73,900
Capital Outlay	10,000						
TOTAL EXPENDITURES	**560,000**	**543,200**	**543,200**	**543,200**	**559,500**	**559,500**	**559,500**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	560,000	543,200	543,200	543,200	559,500	559,500	559,500

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94.

HOUSE REPORT
The House concurs with the Branch Budget recommendation.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the House and the Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

331120EO.XLS
3/29/92
12:51 PM

Governmental Branch: Executive
Cabinet/Function: General Government
Agency: Secretary of State
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	1,618,900	1,618,900	1,618,900	1,618,900	1,667,500	1,667,500	1,667,500
II. EXPENDITURES BY CATEGORY							
Personnel Costs	1,312,300	1,251,500	1,251,500	1,251,500	1,312,900	1,312,900	1,312,900
Operating Expenses	306,600	354,600	354,600	354,600	354,600	354,600	354,600
Capital Outlay		12,800	12,800	12,800			
TOTAL EXPENDITURES	**1,618,900**	**1,618,900**	**1,618,900**	**1,618,900**	**1,667,500**	**1,667,500**	**1,667,500**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	1,618,900	1,618,900	1,618,900	1,618,900	1,667,500	1,667,500	1,667,500

BRANCH BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends straight-line funding for FY 1992-93 and a 3% increase in funding for FY 1993-94 for existing services and programs.

HOUSE REPORT
The House concurs with the Branch Budget recommendation.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the Senate and the House

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

331185FO.XLS
3/29/92
9:24 PM

Governmental Branch: Executive
Cabinet/Function: General Government
Agency: State Board of Elections
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	3,328,000	3,328,000	3,328,000	3,328,000	3,427,800	3,427,800	3,427,800
Restricted Funds	100,800	100,000	100,000	100,000	100,000	100,000	100,000
TOTAL FUNDS	**3,428,800**	**3,428,000**	**3,428,000**	**3,428,000**	**3,527,800**	**3,527,800**	**3,527,800**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	609,800	523,700	523,700	523,700	588,200	588,200	588,200
Operating Expenses	231,400	293,400	293,400	293,400	297,300	297,300	297,300
Grants, Loans, Benefits	2,575,500	2,600,800	2,600,800	2,600,800	2,642,300	2,642,300	2,642,300
Capital Outlay	12,100	10,100	10,100	10,100			
TOTAL EXPENDITURES	**3,428,800**	**3,428,000**	**3,428,000**	**3,428,000**	**3,527,800**	**3,527,800**	**3,527,800**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	3,328,000	3,328,000	3,328,000	3,328,000	3,427,800	3,427,800	3,427,800
Restricted Funds	100,800	100,000	100,000	100,000	100,000	100,000	100,000
TOTAL CURRENT	**3,428,800**	**3,428,000**	**3,428,000**	**3,428,000**	**3,527,800**	**3,527,800**	**3,527,800**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends straight-line funding for FY 1992-93 and a 3% increase in FY 1993-94 for existing services and programs. $3,000,000 is recommended in FY 1993-94 for public campaign financing

HOUSE REPORT
The House concurs with the Branch Budget with the following exception: Reduce General Fund dollars in the amount of $3,000,000 in 1993-94 for campaign financing, and reserve in General Fund surplus pending final legislation relating to public financing of campaigns and election reform acts of the 1992 General Assembly.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the Senate and the House. Special elections and additional precincts resulting from redistricting or reapportionment shall be deemed necessary governmental expenses and be paid from General Fund surplus.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Treasury of Kentucky
Agency: Treasury of Kentucky
Unit:

	FY 1991-92 Budget	House	FY 1992-93 Senate	Conference	House	FY 1993-94 Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	1,471,800	1,369,500	1,369,500	1,369,500	1,410,600	1,410,600	1,410,600
Restricted Funds	166,600	231,400	231,400	231,400	232,800	232,800	232,800
TOTAL FUNDS	**1,638,400**	**1,600,900**	**1,600,900**	**1,600,900**	**1,643,400**	**1,643,400**	**1,643,400**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	1,245,200	1,251,900	1,251,900	1,251,900	1,283,900	1,283,900	1,283,900
Operating Expenses	288,900	349,000	349,000	349,000	359,500	359,500	359,500
Capital Outlay	104,300						
TOTAL EXPENDITURES	**1,638,400**	**1,600,900**	**1,600,900**	**1,600,900**	**1,643,400**	**1,643,400**	**1,643,400**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	1,471,800	1,369,500	1,369,500	1,369,500	1,410,600	1,410,600	1,410,600
Restricted Funds	166,600	231,400	231,400	231,400	232,800	232,800	232,800
TOTAL CURRENT	**1,638,400**	**1,600,900**	**1,600,900**	**1,600,900**	**1,643,400**	**1,643,400**	**1,643,400**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94.

HOUSE REPORT
The House concurs with the Branch Budget recommendation.

SENATE REPORT
The Senate concurs with the House recommendation.

CONFERENCE REPORT
The Conference concurs with the House and Senate recommendation.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive **Agency: Department of Law**
Cabinet/Function: General Government **Unit:**

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	7,166,800	7,366,800	7,866,800	7,666,800	7,581,800	8,081,800	7,881,800
Restricted Funds	4,487,200	4,201,400	4,201,400	4,201,400	4,080,900	4,080,900	4,080,900
Federal Funds	1,491,400	1,392,000	1,392,000	1,392,000	1,379,900	1,379,900	1,379,900
TOTAL FUNDS	**13,145,400**	**12,960,200**	**13,460,200**	**13,260,200**	**13,042,600**	**13,542,600**	**13,342,600**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	9,071,700	9,304,800	9,695,600	9,533,600	9,420,600	9,811,400	9,649,400
Operating Expenses	1,453,200	1,123,800	1,233,000	1,195,000	1,123,800	1,233,000	1,195,000
Grants, Loans, Benefits	2,527,200	2,531,600	2,531,600	2,531,600	2,498,200	2,498,200	2,498,200
Capital Outlay	93,300						
TOTAL EXPENDITURES	**13,145,400**	**12,960,200**	**13,460,200**	**13,260,200**	**13,042,600**	**13,542,600**	**13,342,600**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	7,166,800	7,166,800	7,166,800	7,166,800	7,381,800	7,381,800	7,381,800
Restricted Funds	4,487,200	4,201,400	4,201,400	4,201,400	4,080,900	4,080,900	4,080,900
Federal Funds	1,491,400	1,392,000	1,392,000	1,392,000	1,379,900	1,379,900	1,379,900
TOTAL CURRENT	**13,145,400**	**12,760,200**	**12,760,200**	**12,760,200**	**12,842,600**	**12,842,600**	**12,842,600**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		200,000	700,000	500,000	200,000	700,000	500,000

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/E Provide additional personnel and operating for open records case work and for existing programs and services.	G	200,000	700,000	500,000	200,000	700,000	500,000
RECAP BY FUND SOURCE	G	**200,000**	**700,000**	**500,000**	**200,000**	**700,000**	**500,000**
GRAND TOTAL ADDITIONAL BUDGET		**200,000**	**700,000**	**500,000**	**200,000**	**700,000**	**500,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94.

HOUSE REPORT
The House concurs with the Branch Budget recommendation with the exception of providing $200,000 in each year of the biennium for additional personnel and operating for open records/meetings case work and for existing programs and services.

SENATE REPORT
The Senate concurs with the House recommendation with the exception of providing an additional $500,000 for a total of $700,000 in each year of the biennium for continuation of existing programs and services.

CONFERENCE REPORT
The Conference concurs with the Branch Budget recommendation with the exception of providing $500,000 in each year of the biennium for additional personnel and operating for continuation of existing programs and services.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: General Government
Agency: Unified Prosecutorial System
Unit: Summary

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	23,201,500	23,376,500	23,393,900	23,413,900	23,917,500	23,897,500	23,947,500
Restricted Funds	58,900	48,400	48,400	48,400	48,700	48,700	48,700
Federal Funds	233,400	256,600	256,600	256,600	270,000	270,000	270,000
TOTAL FUNDS	**23,493,800**	**23,681,500**	**23,698,900**	**23,718,900**	**24,236,200**	**24,216,200**	**24,266,200**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	21,669,800	22,057,100	22,074,500	22,094,500	22,611,800	22,591,800	22,641,800
Operating Expenses	1,719,800	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
Grants, Loans, Benefits	67,500	74,400	74,400	74,400	74,400	74,400	74,400
Capital Outlay	36,700						
TOTAL EXPENDITURES	**23,493,800**	**23,681,500**	**23,698,900**	**23,718,900**	**24,236,200**	**24,216,200**	**24,266,200**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	23,201,500	23,201,500	23,201,500	23,201,500	23,897,500	23,897,500	23,897,500
Restricted Funds	58,900	48,400	48,400	48,400	48,700	48,700	48,700
Federal Funds	233,400	256,600	256,600	256,600	270,000	270,000	270,000
TOTAL CURRENT	**23,493,800**	**23,506,500**	**23,506,500**	**23,506,500**	**24,216,200**	**24,216,200**	**24,216,200**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		175,000	192,400	212,400	20,000		50,000

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: General Government
Agency: Unified Prosecutorial System
Unit: Commonwealth's Attorney

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	11,202,100	11,202,100	11,394,500	11,394,500	11,538,200	11,538,200	11,568,200
Restricted Funds	38,000	38,400	38,400	38,400	38,700	38,700	38,700
Federal Funds	233,400	256,600	256,600	256,600	270,000	270,000	270,000
TOTAL FUNDS	**11,473,500**	**11,497,100**	**11,689,500**	**11,689,500**	**11,846,900**	**11,846,900**	**11,876,900**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	10,065,100	10,272,700	10,465,100	10,465,100	10,622,500	10,622,500	10,652,500
Operating Expenses	1,314,200	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000
Grants, Loans, Benefits	67,500	74,400	74,400	74,400	74,400	74,400	74,400
Capital Outlay	26,700						
TOTAL EXPENDITURES	**11,473,500**	**11,497,100**	**11,689,500**	**11,689,500**	**11,846,900**	**11,846,900**	**11,876,900**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	11,202,100	11,202,100	11,202,100	11,202,100	11,538,200	11,538,200	11,538,200
Restricted Funds	38,000	38,400	38,400	38,400	38,700	38,700	38,700
Federal Funds	233,400	256,600	256,600	256,600	270,000	270,000	270,000
TOTAL CURRENT	**11,473,500**	**11,497,100**	**11,497,100**	**11,497,100**	**11,846,900**	**11,846,900**	**11,846,900**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund			192,400	192,400			30,000

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/E Provide funding to make the Laurel and Christian County Commonwealth Attorneys full-time.	G						30,000
2/E Provide full funding of FY 1991-92 salary increments for elected officials.	G		71,900	71,900			

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
3/E Provide for increased health insurance premiums for existing employees.	G		120,500	120,500			
RECAP BY FUND SOURCE	G		**192,400**	**192,400**			**30,000**
GRAND TOTAL ADDITIONAL BUDGET			**192,400**	**192,400**			**30,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94.

HOUSE REPORT

The House concurs with the Branch Budget recommendation.

SENATE REPORT

The Senate concurs with the House recommendation with the following exceptions. The Senate provides $71,900 in FY 1992-93 for full funding of FY 1991-92 salary increments for elected officials and provides $120,500 in FY 1992-93 for increased health insurance premiums for existing employees.

CONFERENCE REPORT

The Conference concurs with the Senate recommendation with the exception of providing $30,000 in FY 1993-94 to make the Laurel and Christian County Commonwealth Attorneys full-time.

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: General Government
Agency: Unified Prosecutorial System
Unit: County Attorneys

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	11,999,400	12,174,400	11,999,400	12,019,400	12,379,300	12,359,300	12,379,300
Restricted Funds	20,900	10,000	10,000	10,000	10,000	10,000	10,000
TOTAL FUNDS	**12,020,300**	**12,184,400**	**12,009,400**	**12,029,400**	**12,389,300**	**12,369,300**	**12,389,300**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	11,604,700	11,784,400	11,609,400	11,629,400	11,989,300	11,969,300	11,989,300
Operating Expenses	405,600	400,000	400,000	400,000	400,000	400,000	400,000
Capital Outlay	10,000						
TOTAL EXPENDITURES	**12,020,300**	**12,184,400**	**12,009,400**	**12,029,400**	**12,389,300**	**12,369,300**	**12,389,300**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	11,999,400	11,999,400	11,999,400	11,999,400	12,359,300	12,359,300	12,359,300
Restricted Funds	20,900	10,000	10,000	10,000	10,000	10,000	10,000
TOTAL CURRENT	**12,020,300**	**12,009,400**	**12,009,400**	**12,009,400**	**12,369,300**	**12,369,300**	**12,369,300**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		175,000		20,000	20,000		20,000

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/E Provide funding for increased health insurance costs.	G	155,000					
2/E Provide additional funding for the Bourbon County Attorney	G	20,000		20,000	20,000		20,000
RECAP BY FUND SOURCE	G	**175,000**		**20,000**	**20,000**		**20,000**
GRAND TOTAL ADDITIONAL BUDGET		**175,000**		**20,000**	**20,000**		**20,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the following exceptions. Additional funding is provided in FY 1992-93 for full funding of the increased cost of health insurance of $155,000, and $20,000 is provided in each year of the biennium for the Bourbon County Attorney.

SENATE REPORT

The Senate concurs with the Branch Budget recommendation.

CONFERENCE REPORT

The Conference concurs with the Branch Budget recommendation with the exception of providing $20,000 in each year for the Bourbon County Attorney.

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/29/92
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Governmental Branch: Executive
Cabinet/Function: General Government

Agency: Auditor of Public Accounts
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	3,475,000	3,475,000	3,475,000	3,475,000	3,579,300	3,579,300	3,579,300
Restricted Funds	3,175,100	2,670,900	2,670,900	2,670,900	2,670,900	2,670,900	2,670,900
TOTAL FUNDS	**6,650,100**	**6,145,900**	**6,145,900**	**6,145,900**	**6,250,200**	**6,250,200**	**6,250,200**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	5,656,600	5,197,500	5,197,500	5,197,500	5,301,800	5,301,800	5,301,800
Operating Expenses	940,200	904,800	904,800	904,800	904,800	904,800	904,800
Capital Outlay	53,300	43,600	43,600	43,600	43,600	43,600	43,600
TOTAL EXPENDITURES	**6,650,100**	**6,145,900**	**6,145,900**	**6,145,900**	**6,250,200**	**6,250,200**	**6,250,200**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	3,475,000	3,475,000	3,475,000	3,475,000	3,579,300	3,579,300	3,579,300
Restricted Funds	2,543,900	2,670,900	2,670,900	2,670,900	2,670,900	2,670,900	2,670,900
TOTAL CURRENT	**6,018,900**	**6,145,900**	**6,145,900**	**6,145,900**	**6,250,200**	**6,250,200**	**6,250,200**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Restricted Funds	631,200						

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends an increase in FY 1991-92 of $631,200 in Restricted Funds to restore the FY 1991-92 Budget reduction to support salary upgrades, computer services, and operating. The Branch Budget also recommends reduced funding for existing services and programs in FB 1992-94 and contains no funds for the Auditor's Scholarships Program.

HOUSE REPORT

The House concurs with the Branch Budget recommendation.

SENATE REPORT

The Senate concurs with the House recommendation.

CONFERENCE REPORT

The Conference concurs with the House and Senate recommendations.

CONFERENCE ANALYSIS
CURRENT YEAR BUDGET REQUESTS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/29/92
7:29 PM

Governmental Branch: Executive
Cabinet/Function: General Government

Agency: **Auditor of Public Accounts**
Unit:

	Request	Branch	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:					
FUND SOURCE					
General Fund	3,475,000	3,475,000	3,475,000	3,475,000	3,475,000
Restricted Funds	3,175,100	3,175,100	3,175,100	3,175,100	3,175,100
TOTAL FUNDS	**6,650,100**	**6,650,100**	**6,650,100**	**6,650,100**	**6,650,100**
II. EXPENDITURES BY CATEGORY					
Personnel Costs	5,656,600	5,656,600	5,656,600	5,656,600	5,656,600
Operating Expenses	940,200	940,200	940,200	940,200	940,200
Capital Outlay	53,300	53,300	53,300	53,300	53,300
TOTAL EXPENDITURES	**6,650,100**	**6,650,100**	**6,650,100**	**6,650,100**	**6,650,100**
III. CURRENT SERVICES BUDGET					
FUND SOURCE					
General Fund	3,475,000	3,475,000	3,475,000	3,475,000	3,475,000
Restricted Funds	2,543,900	2,543,900	2,543,900	2,543,900	2,543,900
TOTAL CURRENT	**6,018,900**	**6,018,900**	**6,018,900**	**6,018,900**	**6,018,900**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE					
FUND SOURCE					
Restricted Funds	631,200	631,200	631,200	631,200	631,200

V. ADDITIONAL BUDGET ITEMS/CURRENT YEAR

Item# /Type Service Unit/Description	**Fund Source /Subtotal**	**Request**	**Branch Budget**	**House**	**Senate**	**Conference**
1/BR Auditing County Govern. - Restore FY 92 Budget reduction to support salary upgrades, computer svs, telecom., commodities and travel expenses.	R	227,300	227,300	227,300	227,300	227,300

Item# /Type Service Unit/Description	Fund Source /Subtotal	Request	Branch Budget	House	Senate	Conference
2/BR Auditing State Agencies- Restore FY 92 Budget reduction to support salary upgrades, computer svs, telecom., commodities and travel expenses.	R	189,500	189,500	189,500	189,500	189,500
3/BR Administration - Restore FY 92 Budget reduction to support salary upgrades, computer svs, telecom., commodities and travel expenses.	R	170,400	170,400	170,400	170,400	170,400
4/BR Special Audits - Restore FY 92 Budget reduction to support salary upgrades, computer svs, telecom., commodities and travel expenses.	R	18,900	18,900	18,900	18,900	18,900
5/BR Economy & Efficiency - Restore FY 92 Budget reduction to support salary upgrades, computer svs, telecom., commodities and travel expenses.	R	25,100	25,100	25,100	25,100	25,100
GRAND TOTAL		**631,200**	**631,200**	**631,200**	**631,200**	**631,200**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive
Cabinet/Function: General Government

Agency: Department of Agriculture
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	11,252,100	11,759,300	11,759,300	11,759,300	12,103,100	12,103,100	12,103,100
Restricted Funds	866,200	815,300	815,300	815,300	826,200	826,200	826,200
Federal Funds	1,534,000	1,312,400	1,312,400	1,312,400	1,322,300	1,322,300	1,322,300
TOTAL FUNDS	**13,652,300**	**13,887,000**	**13,887,000**	**13,887,000**	**14,251,600**	**14,251,600**	**14,251,600**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	9,788,600	10,190,600	10,190,600	10,190,600	10,377,900	10,377,900	10,377,900
Operating Expenses	3,007,700	2,955,300	2,955,300	2,955,300	2,961,600	2,961,600	2,961,600
Grants, Loans, Benefits	697,900	741,100	741,100	741,100	741,900	741,900	741,900
Capital Outlay	158,100				170,200	170,200	170,200
TOTAL EXPENDITURES	**13,652,300**	**13,887,000**	**13,887,000**	**13,887,000**	**14,251,600**	**14,251,600**	**14,251,600**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	11,252,100	11,572,800	11,572,800	11,572,800	11,921,300	11,921,300	11,921,300
Restricted Funds	866,200	815,300	815,300	815,300	826,200	826,200	826,200
Federal Funds	1,534,000	1,312,400	1,312,400	1,312,400	1,322,300	1,322,300	1,322,300
TOTAL CURRENT	**13,652,300**	**13,700,500**	**13,700,500**	**13,700,500**	**14,069,800**	**14,069,800**	**14,069,800**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		186,500	186,500	186,500	181,800	181,800	181,800

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	House	FY 1992-93 Senate	Conference	House	FY 1993-94 Senate	Conference
1/E. Provide funds for maintenance contracts for computer equipment at end of warranty period.	G				700	700	700

Item#	Fund Source		FY 1992-93			FY 1993-94	
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
2/E. Provide funds to relocate the consumer safety divisions due to serious defects in current lease space. If existing space is improved, it will be rebid at higher rate.	G	34,700	34,700	34,700	30,500	30,500	30,500
3/E. Provide funds to relocate Food Distribution division. See item 6.	G	124,600	124,600	124,600	123,400	123,400	123,400
4/E. Provide increased utility costs in Weights & Measures division lab due to refurbishment provided by 1990 General Assembly.	G	12,200	12,200	12,200	12,200	12,200	12,200
5/E. Funds to provide an EPA and OSHA approved chemical storage facility for central Ky. to eliminate purchasing delays when emergency insect eradication services are provided.	G	15,000	15,000	15,000	15,000	15,000	15,000
RECAP BY FUND SOURCE	**G**	**186,500**	**186,500**	**186,500**	**181,800**	**181,800**	**181,800**
GRAND TOTAL ADDITIONAL BUDGET		**186,500**	**186,500**	**186,500**	**181,800**	**181,800**	**181,800**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94 with the following exceptions: Funds are provided to relocate the Consumer Safety and Food Distribution divisions which are currently located in substandard space, additional utilities resulting from the refurbishment of the Weights and Measures lab undertaken during the current biennium are provided, and $15,000 is provided each year to lease space for an EPA and OSHA approved chemical storage facility to reduce delays when emergency insect eradication services are required.

The Branch Budget also recommends that non-recurring federal funds be spent down over the biennium to assist in funding the current services budget.

The Psuedorabies and Brucellosis eradication programs are funded at the level of $651,500 in FY 1992-93 and $674,800 in FY 1993-94.

HOUSE REPORT

The House concurs with the Branch Budget recommendation.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and the Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/24/92
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Governmental Branch: Executive
Cabinet/Function: General Government

Agency: Superintendent of Public Instruction
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund		5,500	5,500	5,500	5,900	5,900	5,900
General Fund Special	2,700						
TOTAL FUNDS	**2,700**	**5,500**	**5,500**	**5,500**	**5,900**	**5,900**	**5,900**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	2,700	5,500	5,500	5,500	5,900	5,900	5,900
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund		5,500	5,500	5,500	5,900	5,900	5,900
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund Special	2,700						

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommendation provides for the Legislatively established salary and contributions for health and life insurance and retirement, including a current year supplemental appropriation of $2,700.

HOUSE REPORT
The House concurs with the Branch Budget recommendation.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the House and the Senate.

BR_15

CONFERENCE ANALYSIS
CURRENT YEAR BUDGET REQUESTS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: General Government

Agency: **Superintendent of Public Instruction**
Unit:

	Request	Branch	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:					
FUND SOURCE					
General Fund Special		2,700	2,700	2,700	2,700
II. EXPENDITURES BY CATEGORY					
Personnel Costs		2,700	2,700	2,700	2,700
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE					
FUND SOURCE					
General Fund Special		2,700	2,700	2,700	2,700

V. ADDITIONAL BUDGET ITEMS/CURRENT YEAR

Item# /Type Service Unit/Description	Fund Source /Subtotal	Request	Branch Budget	House	Senate	Conference
1 Provide funds for operations of the Office of Supt. of Public Instruction.	GS	220,500				
2/N. Funds to provide salary, life, health, and retirement contributions.	GS		2,700	2,700	2,700	2,700
GRAND TOTAL		**220,500**	**2,700**	**2,700**	**2,700**	**2,700**

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive — **Agency: Military Affairs**
Cabinet/Function: General Government — **Unit:**

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	16,116,700	14,588,300	13,728,300	14,468,300	16,183,000	15,451,000	16,183,000
General Fund Special							
Restricted Funds	1,505,200	3,547,400	2,637,400	3,547,400	3,685,400	2,718,400	3,685,400
Federal Funds	10,873,800	11,308,800	10,867,800	11,308,800	7,804,000	7,006,000	7,804,000
General Fund Continuing	2,794,800						
TOTAL FUNDS	31,290,500	29,444,500	27,233,500	29,324,500	27,672,400	25,175,400	27,672,400
II. EXPENDITURES BY CATEGORY							
Personnel Costs	13,089,600	14,215,900	12,833,600	14,150,900	15,693,400	14,120,300	15,693,400
Operating Expenses	7,774,100	8,646,300	7,817,600	8,591,300	9,835,100	8,911,200	9,835,100
Grants, Loans, Benefits	9,504,500	6,244,500	6,244,500	6,244,500	1,766,800	1,766,800	1,766,800
Debt Service	236,300	235,800	235,800	235,800	236,000	236,000	236,000
Capital Outlay	686,000	102,000	102,000	102,000	141,100	141,100	141,100
TOTAL EXPENDITURES	31,290,500	29,444,500	27,233,500	29,324,500	27,672,400	25,175,400	27,672,400
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	16,116,700	13,728,300	13,728,300	13,728,300	15,451,000	15,451,000	15,451,000
Restricted Funds	1,505,200	2,637,400	2,637,400	2,637,400	2,718,400	2,718,400	2,718,400
Federal Funds	10,873,800	10,867,800	10,867,800	10,867,800	7,006,000	7,006,000	7,006,000
General Fund Continuing	2,794,800						
TOTAL CURRENT	31,290,500	27,233,500	27,233,500	27,233,500	25,175,400	25,175,400	25,175,400
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		860,000		740,000	732,000		732,000
Restricted Funds		910,000		910,000	967,000		967,000
Federal Funds		441,000		441,000	798,000		798,000
TOTAL ADDITIONAL		2,211,000		2,091,000	2,497,000		2,497,000

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
l/E Meet additional personnel,	G	740,000		740,000	732,000		732,000
perating, and capital expenditures	R	910,000		910,000	967,000		967,000
the Veterans Nursing Home to	F	441,000		441,000	798,000		798,000
ase in patients and reach full	Total	2,091,000		2,091,000	2,497,000		2,497,000
mpliment by the end of the							
nnium.							

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
2/E Provide personnel and operating for administration of Veterans Bonus programs.	G	120,000					
RECAP BY FUND SOURCE	G	**860,000**		**740,000**	**732,000**		**732,000**
	R	**910,000**		**910,000**	**967,000**		**967,000**
	F	**441,000**		**441,000**	**798,000**		**798,000**
GRAND TOTAL ADDITIONAL BUDGET		**2,211,000**		**2,091,000**	**2,497,000**		**2,497,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94 with the exception of the Veterans Nursing Home. Additional funding was provided for the Nursing Home to bring in 126 patients and 221 personnel by the end of FY 1992-93 and 238 patients and 331 personnel by the end of FY 1993-94. There are no funds provided for state active duty or for new disaster accounts in Disaster and Emergency Services.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the following exceptions. $2.5 million of the General Fund continuing appropriation in FY 1991-92 is budgeted to lapse to the credit of the General Fund. The Veterans Nursing Home is increased by $740,000 from the General Fund, $910,000 from Restricted Funds which includes the FY 1991-92 carryforward of $450,000, and $441,000 from Federal Funds in FY 1992-93; and $732,000 from the General Fund, $967,000 from Restricted Funds, and $798,000 from Federal Funds in FY 1993-94. The additional funding will enable the Nursing Home to admit approximately 8 patients per month and fill to capacity over the biennium and provide the staffing level of 396 full-time and 32 part time to support the patient population. The Nursing Home is to become a separate appropriation unit within the Department of Military Affairs. The Veterans Nursing Home is funded with no less than $6,340,000 from the General Fund, $2,110,000 from Restricted Funds, and $1,341,000 from Federal Funds in FY 1992-93, and $7,632,000 from the General Fund, $2,467,000 from Restricted Funds, and $1,898,000 from Federal Funds in FY 1993-94. Additional funding of $120,000 in FY 1992-93 is provided for administration of Veterans Bonus legislation with the bonus payments to be provided as a necessary governmental expense.

	General Operations		Veterans Nursing Home		Department Total	
	FY 1992-93	**FY 1993-94**	**FY 1992-93**	**FY 1993-94**	**FY 1992-93**	**FY 1993-94**
General Fund	8,248,300	8,551,000	6,340,000	7,632,000	14,588,300	16,183,000
Restricted Fund	1,437,400	1,218,400	2,110,000	2,467,000	3,547,400	3,685,400
Federal Fund	9,967,800	5,906,000	1,341,000	1,898,000	11,308,800	7,804,000
Total	**19,653,500**	**15,675,400**	**9,791,000**	**11,997,000**	**29,444,500**	**27,672,400**

SENATE REPORT

The Senate concurs with the Branch Budget recommendation with the following exceptions. The Veterans Nursing Home is to become a separate appropriation unit within the Department of Military Affairs. The Veterans Nursing Home is funded with no less than $5,600,000 from the General Fund, $1,200,000 from Restricted Funds, and $900,000 from Federal Funds in FY 1992-93, and $6,900,000 from the General Fund, $1,500,000 from Restricted Funds, and $1,100,000 from Federal Funds in FY 1993-94. $2.5 million of the General Fund continuing appropriation in FY 1991-92 is budgeted to lapse to the credit of the General Fund.

	General Operations		Veterans Nursing Home		Department Total	
	FY 1992-93	**FY 1993-94**	**FY 1992-93**	**FY 1993-94**	**FY 1992-93**	**FY 1993-94**
General Fund	8,128,300	8,551,000	5,600,000	6,900,000	13,728,300	15,451,000
Restricted Fund	1,437,400	1,218,400	1,200,000	1,500,000	2,637,400	2,718,400
Federal Fund	9,967,800	5,906,000	900,000	1,100,000	10,867,800	7,006,000
Total	**19,533,500**	**15,675,400**	**7,700,000**	**9,500,000**	**27,233,500**	**25,175,400**

CONFERENCE REPORT

The Conference concurs with the House recommendation with the exception of not providing the additional funding of $120,000 in FY 1992-93 for administration of Veterans Bonus legislation and the bonus payments are not be provided as a necessary governmental expense.

	General Operations		Veterans Nursing Home		Department Total	
	FY 1992-93	**FY 1993-94**	**FY 1992-93**	**FY 1993-94**	**FY 1992-93**	**FY 1993-94**
General Fund	8,128,300	8,551,000	6,340,000	7,632,000	14,468,300	16,183,000
Restricted Fund	1,437,400	1,218,400	2,110,000	2,467,000	3,547,400	3,685,400
Federal Fund	9,967,800	5,906,000	1,341,000	1,898,000	11,308,800	7,804,000
Total	**19,533,500**	**15,675,400**	**9,791,000**	**11,997,000**	**29,324,500**	**27,672,400**

CONFERENCE ANALYSIS
CURRENT YEAR BUDGET REQUESTS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

BR_15

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Governmental Branch: Executive
Cabinet/Function: General Government

Agency: **Military Affairs**
Unit:

	Request	Branch	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:					
FUND SOURCE					
General Fund	15,337,700	16,116,700	16,116,700	16,116,700	16,116,700
Restricted Funds	1,505,200	1,505,200	1,505,200	1,505,200	1,505,200
Federal Funds	10,873,800	10,873,800	10,873,800	10,873,800	10,873,800
General Fund Continuing		2,794,800	294,800	294,800	294,800
TOTAL FUNDS	**27,716,700**	**31,290,500**	**28,790,500**	**28,790,500**	**28,790,500**
II. EXPENDITURES BY CATEGORY					
Personnel Costs	12,457,800	13,089,600	13,089,600	13,089,600	13,089,600
Operating Expenses	7,375,100	7,774,100	7,774,100	7,774,100	7,774,100
Grants, Loans, Benefits	7,004,500	9,504,500	7,004,500	7,004,500	7,004,500
Debt Service	236,300	236,300	236,300	236,300	236,300
Capital Outlay	643,000	686,000	686,000	686,000	686,000
TOTAL EXPENDITURES	**27,716,700**	**31,290,500**	**28,790,500**	**28,790,500**	**28,790,500**
III. CURRENT SERVICES BUDGET					
FUND SOURCE					
General Fund	15,337,700	16,116,700	16,116,700	16,116,700	16,116,700
Restricted Funds	1,505,200	1,505,200	1,505,200	1,505,200	1,505,200
Federal Funds	10,688,800	10,873,800	10,873,800	10,873,800	10,873,800
General Fund Continuing		2,794,800	294,800	294,800	294,800
TOTAL CURRENT	**27,531,700**	**31,290,500**	**28,790,500**	**28,790,500**	**28,790,500**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE					
FUND SOURCE					
Federal Funds	185,000				

V. ADDITIONAL BUDGET ITEMS/CURRENT YEAR

Item# /Type Service Unit/Description	**Fund Source /Subtotal**	**Request**	**Branch Budget**	**House**	**Senate**	**Conference**
1/E Provide for maintenance and upkeep of leased and owned properties which have increased. Total of 3 full-time staff positons are included in the current year.	F	185,000				
GRAND TOTAL		185,000				

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/29/92
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Governmental Branch: Executive **Agency: Personnel**
Cabinet/Function: General Government **Unit:**

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	4,588,400	7,494,500	5,523,500	5,523,500	6,651,700	7,059,800	7,059,800
Restricted Funds	11,880,500	12,489,100	12,489,100	12,489,100	14,702,300	14,702,300	14,702,300
Federal Funds	711,000	792,600	792,600	792,600	732,300	732,300	732,300
TOTAL FUNDS	**17,179,900**	**20,776,200**	**18,805,200**	**18,805,200**	**22,086,300**	**22,494,400**	**22,494,400**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	14,988,800	18,871,600	16,900,600	16,900,600	20,112,300	20,520,400	20,520,400
Operating Expenses	2,150,600	1,904,600	1,904,600	1,904,600	1,974,000	1,974,000	1,974,000
Capital Outlay	40,500						
TOTAL EXPENDITURES	**17,179,900**	**20,776,200**	**18,805,200**	**18,805,200**	**22,086,300**	**22,494,400**	**22,494,400**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	4,588,400	4,183,500	4,183,500	4,183,500	4,309,800	4,309,800	4,309,800
Restricted Funds	11,880,500	11,937,600	11,937,600	11,937,600	12,342,000	12,342,000	12,342,000
Federal Funds	711,000	792,600	792,600	792,600	732,300	732,300	732,300
TOTAL CURRENT	**17,179,900**	**16,913,700**	**16,913,700**	**16,913,700**	**17,384,100**	**17,384,100**	**17,384,100**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		3,311,000	1,340,000	1,340,000	2,341,900	2,750,000	2,750,000
Restricted Funds		551,500	551,500	551,500	2,360,300	2,360,300	2,360,300
TOTAL ADDITIONAL		**3,862,500**	**1,891,500**	**1,891,500**	**4,702,200**	**5,110,300**	**5,110,300**

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/M. Workers' Comp growth. Funds necessary to maintain reserves due to medical cost inflation.	R	537,400	537,400	537,400	2,334,300	2,334,300	2,334,300

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
2/E. Deferred Compensation-funds for anticipated growth of 32% in participants in program.	R	14,100	14,100	14,100	26,000	26,000	26,000
3/E. Employee Benefits - funds to fill state EEO Coordinator position to ensure equal employment opportunity in state government.	G	40,000	40,000	40,000	40,000	40,000	40,000
4/M. (NP) Funds to provide for Personnel Board Election every 4 years as mandated by KRS. 18A.	G				10,000	10,000	10,000
5/N. Funds to provide a 2% pay increment to permanent full time employees making under $20,000 on July 1. 1992.	G	3,271,000	1,300,000	1,300,000	2,291,900	2,700,000	2,700,000
RECAP BY FUND SOURCE	**G**	**3,311,000**	**1,340,000**	**1,340,000**	**2,341,900**	**2,750,000**	**2,750,000**
	RA	**551,500**	**551,500**	**551,500**	**2,360,300**	**2,360,300**	**2,360,300**
GRAND TOTAL ADDITIONAL BUDGET		**3,862,500**	**1,891,500**	**1,891,500**	**4,702,200**	**5,110,300**	**5,110,300**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94 with the following exceptions:
$25,000 is provided in each year to fund an Equal Employment Opportunity Coordinator position.
$4,800,000 in FY 1992-93 and $5,000,000 in FY 1993-94 is provided to pay a 2% pay increment to permanent full time employees in the classified service making $20,000 or less per year on July 1, 1992.

Specific reductions include: $200,000 per year in computer services, elimination of all capital outlay expenditures, elimination of all seasonal positions, and elimination of tuition assistance. General Fund support for providing Workers' Compensation to volunteer ambulance drivers has been eliminated and will be paid through billings to the Public Protection Cabinet. In addition, no funding is provided to cover the costs of the Personnel Board election in FY 1993-94 or to store the hard copy of employee evaluations in central files.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the exception of adding an additional $15,000 each year for the EEO Coordinator position. $10,000 is also added in FY 1993-94 to cover the costs of the Personnel Board election. If cost of the election exceeds $10,000, the House directs that the Department of Personnel may recover the additional costs up to $10,000 from the Personnel Board

SENATE REPORT

The Senate concurs with the House with the exception of providing $1,300,000 in FY 1992-93 and $2,700,000 in FY 1993-94 to pay an equivalent annual salary increase of $360 in FY 1992-93 on the increment anniversary date of permanent, full-time employees whose salaries, on July 1, 1992, are $20,000 or less per year.

CONFERENCE REPORT

The Conference concurs with the Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/24/92
5:42 PM

Governmental Branch: Executive
Cabinet/Function: General Government

Agency: **Personnel Board**
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	427,700	427,700	427,700	427,700	440,500	440,500	440,500
Restricted Funds	2,300	3,200	3,200	3,200	3,200	3,200	3,200
TOTAL FUNDS	**430,000**	**430,900**	**430,900**	**430,900**	**443,700**	**443,700**	**443,700**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	373,600	375,700	375,700	375,700	385,200	385,200	385,200
Operating Expenses	55,100	55,200	55,200	55,200	58,500	58,500	58,500
Capital Outlay	1,300						
TOTAL EXPENDITURES	**430,000**	**430,900**	**430,900**	**430,900**	**443,700**	**443,700**	**443,700**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	427,700	357,700	357,700	357,700	370,500	370,500	370,500
Restricted Funds	2,300	3,200	3,200	3,200	3,200	3,200	3,200
TOTAL CURRENT	**430,000**	**360,900**	**360,900**	**360,900**	**373,700**	**373,700**	**373,700**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		70,000	70,000	70,000	70,000	70,000	70,000

V. ADDITIONAL BUDGET ITEMS

Item#	**Fund Source**	FY 1992-93			FY 1993-94		
/Type Service Unit/Description	**/Subtotal**	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
1/N. Funds to provide professional contract costs for hearing officers and court reporters.	G	70,000	70,000	70,000	70,000	70,000	70,000
RECAP BY FUND SOURCE	G	**70,000**	**70,000**	**70,000**	**70,000**	**70,000**	**70,000**
GRAND TOTAL ADDITIONAL BUDGET		**70,000**	**70,000**	**70,000**	**70,000**	**70,000**	**70,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommendation provides funding at the same level as FY 1991-92 in FY 1992-93 and allows for three percent growth in FY 1993-94. This includes continuing at the level of $70,000 additional funding provided by the 1990 General Assembly to reduce the Board's case backlog.

HOUSE REPORT

The House concurs with the Branch Budget recommendation and directs that the Personnel Board pay to the Department of Personnel any costs for conducting the Personnel Board election in FY1993-94 above the $10,000 appropriated to the Department of Personnel for that purpose.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and the Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/29/92
10:02 PM

Governmental Branch: Executive
Cabinet/Function: General Government
Agency: Department of Local Government
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	5,982,700	5,882,000	5,882,000	5,882,000	5,516,200	5,516,200	5,516,200
Restricted Funds	1,420,000	1,630,400	1,630,400	1,630,400	1,449,400	1,449,400	1,449,400
Federal Funds	28,846,100	31,847,000	31,847,000	31,847,000	31,966,900	31,966,900	31,966,900
TOTAL FUNDS	**36,248,800**	**39,359,400**	**39,359,400**	**39,359,400**	**38,932,500**	**38,932,500**	**38,932,500**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	2,982,700	2,996,900	2,996,900	2,996,900	2,814,900	2,814,900	2,814,900
Operating Expenses	865,100	849,600	849,600	849,600	849,600	849,600	849,600
Grants, Loans, Benefits	32,371,000	35,512,900	35,512,900	35,512,900	35,268,000	35,268,000	35,268,000
Capital Outlay	30,000						
TOTAL EXPENDITURES	**36,248,800**	**39,359,400**	**39,359,400**	**39,359,400**	**38,932,500**	**38,932,500**	**38,932,500**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	5,982,700	5,307,000	5,307,000	5,307,000	5,466,200	5,466,200	5,466,200
Restricted Funds	1,420,000	1,630,400	1,630,400	1,630,400	1,449,400	1,449,400	1,449,400
Federal Funds	28,846,100	31,847,000	31,847,000	31,847,000	31,966,900	31,966,900	31,966,900
TOTAL CURRENT	**36,248,800**	**38,784,400**	**38,784,400**	**38,784,400**	**38,882,500**	**38,882,500**	**38,882,500**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		575,000	575,000	575,000	50,000	50,000	50,000

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
23/E Provide funding for a parks and recreational grant program.	G	525,000	525,000	525,000			
24/E Provide funding for a grant and technical assistance program for local and regional river resources.	G	50,000	50,000	50,000	50,000	50,000	50,000
RECAP BY FUND SOURCE	G	**575,000**	**575,000**	**575,000**	**50,000**	**50,000**	**50,000**
GRAND TOTAL ADDITIONAL BUDGET		**575,000**	**575,000**	**575,000**	**50,000**	**50,000**	**50,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94.

HOUSE REPORT
The House concurs with the Branch Budget recommendation with the following exceptions. The House Provided $50,000 from the General Fund in each year of the biennium for a grant and technical assistance program to promote community and local government participation in restoring, maintaining, and enhancing local and regional river resources and their associated watersheds, streams, and riparian areas. There is appropriated in the first year of the biennium funds from the General Fund in the amount of $525,000 to be used for a matching grant program for local government public parks and recreation programs on the basis of three state dollars to one local dollar match, with a maximum award of $75,000 from the grant fund. Such funds may be applied for by local governments to the Department of Local Government by showing a plan for the expenditure of the funds which may be used for capital improvements, equipment purchases, or other matters deemed appropriate for the improvement of local government public park facilities. In granting awards under this program during the first year, priority shall be given to the City of Shively, Scott County, Meade County, Franklin County, Jessamine County, Simpson County, and Marshall County. Dollars not awarded in the first year shall be carried forward. The House recommends that the percentage allocation of Community Development Block Grant Funds remains at the 1991 level of 35% for Public Facilities, 10% for Housing, 40% for Economic Development, and 15% for Special Projects.

SENATE REPORT
The Senate concurs with the House recommendation with the exception of deleting the language giving priority to the City of Shively, Scott County, Meade County, Franklin County, Jessamine County, Simpson County and Marshall County for grants for local government public parks and recreation programs.

CONFERENCE REPORT
The Conference concurs with the House report.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

331942.XLS
3/25/92
7:44 PM

Governmental Branch: Executive
Cabinet/Function: General Government
Agency: Dept. of Local Government
Unit: County Costs

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	13,599,700	14,077,800	14,077,800	14,077,800	14,077,800	14,077,800	14,077,800
II. EXPENDITURES BY CATEGORY							
Operating Expenses	13,599,700	14,077,800	14,077,800	14,077,800	14,077,800	14,077,800	14,077,800
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	13,599,700	13,811,700	13,811,700	13,811,700	13,811,700	13,811,700	13,811,700
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		266,100	266,100	266,100	266,100	266,100	266,100
V. EXPENDITURES BY UNIT							
CRIMINAL PROSECUTIONS:							
Witnesses	126,800	126,800	126,800	126,800	126,800	126,800	126,800
Special Bailiffs	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Sheriffs' Fees	2,038,800	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000	2,340,000
Base Court Reveue	5,431,000	5,431,000	5,431,000	5,431,000	5,431,000	5,431,000	5,431,000
MISCELLANEOUS FEES:							
Board of Assessment Appeals	21,200	20,000	20,000	20,000	20,000	20,000	20,000
Fugitives From Justice	650,000	650,000	650,000	650,000	650,000	650,000	650,000
Jury Fund	3,971,000	4,110,000	4,110,000	4,110,000	4,110,000	4,110,000	4,110,000
Sheriffs Expense Allowance	463,000	480,000	480,000	480,000	480,000	480,000	480,000
County Clerks - Tax Bills	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Premiums on Sheriffs bonds	592,900	615,000	615,000	615,000	615,000	615,000	615,000
TOTAL EXPENDITURES	**13,599,700**	**14,077,800**	**14,077,800**	**14,077,800**	**14,077,800**	**14,077,800**	**14,077,800**

VI. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/E Provide for increase in reimbursements to local officials for expenditures incurred while performing duties directly related to serving state government.	G	266,100	266,100	266,100	266,100	266,100	266,100
RECAP BY FUND SOURCE	G	**266,100**	**266,100**	**266,100**	**266,100**	**266,100**	**266,100**
GRAND TOTAL ADDITIONAL BUDGET		**266,100**	**266,100**	**266,100**	**266,100**	**266,100**	**266,100**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends continued funding for existing services and programs in FB 1992-94.

HOUSE REPORT
The House concurs with the Branch Budget recommendation.

SENATE REPORT
The Senate concurs with the House recommendation.

CONFERENCE REPORT
The Conference concurs with the House and Senate recommendations.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

331112.XLS
3/25/92
7:45 PM

Governmental Branch: Executive
Cabinet/Function: General Government
Agency: Department of Local Government
Unit: Local Govern. Econ. Assist. Fund & Area Develop. Fund

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	35,602,000	40,084,800	40,084,800	40,084,800	41,094,000	41,094,000	41,094,000
General Fund Continuing	7,996,900						
TOTAL FUNDS	**43,598,900**	**40,084,800**	**40,084,800**	**40,084,800**	**41,094,000**	**41,094,000**	**41,094,000**
II. EXPENDITURES BY CATEGORY							
Grants, Loans, Benefits	43,598,900	40,084,800	40,084,800	40,084,800	41,094,000	41,094,000	41,094,000
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	35,602,000	40,084,800	40,084,800	40,084,800	41,094,000	41,094,000	41,094,000
General Fund Continuing	7,996,900						
TOTAL CURRENT	**43,598,900**	**40,084,800**	**40,084,800**	**40,084,800**	**41,094,000**	**41,094,000**	**41,094,000**
V. EXPENDITURES BY UNIT							
Local Govt. Econ. Assistance Fund							
Mineral Severance Tax	12,587,100	11,480,000	11,480,000	11,480,000	11,997,500	11,997,500	11,997,500
Coal Severance Tax	26,261,800	23,854,800	23,854,800	23,854,800	24,346,500	24,346,500	24,346,500
Total L.G.E.A. Fund	38,848,900	35,334,800	35,334,800	35,334,800	36,344,000	36,344,000	36,344,000
Area Development Fund	4,750,000	4,750,000	4,750,000	4,750,000	4,750,000	4,750,000	4,750,000
TOTAL EXPENDITURES	**43,598,900**	**40,084,800**	**40,084,800**	**40,084,800**	**41,094,000**	**41,094,000**	**41,094,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends funding of the Local Government Economic Assistance Fund at the statutory level with adjustments made in both of the requested years to more accurately match the expenditures by unit with the actual coal severance tax receipts. The Area Development Fund is recommended at the reduced level of $4,750,000, not the statutory level of 4.4%.

HOUSE REPORT
The House concurs with the Branch Budget recommendation.

SENATE REPORT
The Senate concurs with the House recommendation.

CONFERENCE REPORT
The Conference concurs with the House and Senate recommendations and futher directs that the Area Developments Funds may be used for installation of water lines in addition to other authorized expenditures.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

331797R.XLS
3/25/92
7:46 PM

Governmental Branch: **Executive**
Cabinet/Function: **General Government**
Agency: **General Obligation Bonds**
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	2,056,900	2,054,200	2,054,200	2,054,200	2,054,500	2,054,500	2,054,500
II. EXPENDITURES BY CATEGORY							
Debt Service	2,056,900	2,054,200	2,054,200	2,054,200	2,054,500	2,054,500	2,054,500
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	2,056,900	2,054,200	2,054,200	2,054,200	2,054,500	2,054,500	2,054,500

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends debt service on outstanding General Obligation Bonds.

HOUSE REPORT
The House concurs with the Branch Budget recommendation.

SENATE REPORT
The Senate concurs with the House recommendation.

CONFERENCE REPORT
The Conference concurs with the House and Senate recommendations.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

331355AO.XLS
3/25/92
7:47 PM

Governmental Branch: Executive
Cabinet/Function: General Government
Agency: Financial Disclosure Review Commission
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	62,600	69,000	69,000	69,000	71,100	71,100	71,100
II. EXPENDITURES BY CATEGORY							
Personnel Costs	56,800	61,100	61,100	61,100	63,200	63,200	63,200
Operating Expenses	5,800	7,900	7,900	7,900	7,900	7,900	7,900
TOTAL EXPENDITURES	**62,600**	**69,000**	**69,000**	**69,000**	**71,100**	**71,100**	**71,100**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	62,600	65,700	65,700	65,700	69,000	69,000	69,000
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		3,300	3,300	3,300	2,100	2,100	2,100

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/E Provide for the appointment of a fifth Commission member and for travel and per diem for an anticipated increase in meetings.	G	3,300	3,300	3,300	2,100	2,100	2,100
RECAP BY FUND SOURCE	G	**3,300**	**3,300**	**3,300**	**2,100**	**2,100**	**2,100**
GRAND TOTAL ADDITIONAL BUDGET		**3,300**	**3,300**	**3,300**	**2,100**	**2,100**	**2,100**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94.

HOUSE REPORT
The House concurs with the Branch Budget recommendation.

SENATE REPORT
The Senate concurs with the House recommendation.

CONFERENCE REPORT
The Conference concurs with the House and Senate recommendations.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

331760.XLS
3/25/92
7:47 PM

Governmental Branch: Executive
Cabinet/Function: General Government
Agency: Appropriations Not Otherwise Classified
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	3,693,500	3,317,500	3,317,500	3,317,500	3,374,500	3,374,500	3,374,500
II. EXPENDITURES BY CATEGORY							
Personnel Costs	1,968,000	1,817,000	1,817,000	1,817,000	1,874,000	1,874,000	1,874,000
Operating Expenses	1,722,000	1,497,000	1,497,000	1,497,000	1,497,000	1,497,000	1,497,000
Grants, Loans, Benefits	3,500	3,500	3,500	3,500	3,500	3,500	3,500
TOTAL EXPENDITURES	**3,693,500**	**3,317,500**	**3,317,500**	**3,317,500**	**3,374,500**	**3,374,500**	**3,374,500**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	3,693,500	3,317,500	3,317,500	3,317,500	3,374,500	3,374,500	3,374,500
V. EXPENDITURES BY UNIT							
Board of Claims Awards	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Judgements	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Guardian Ad Litem	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Prior Year Claims	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Blanket Employee Bonds	165,000						
Franfort Planning Commission	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Frankfort Cemetary	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Public Improvements	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Police & Firemen Life Insurance	275,000	150,000	150,000	150,000	150,000	150,000	150,000
Workers' Compensation	233,000	249,000	249,000	249,000	303,000	303,000	303,000
Master Commissioners Employee Retirement	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Master Commissioners Social Security	100,000	128,000	128,000	128,000	131,000	131,000	131,000
Money Refunded	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Involuntary Commitments	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Mental Health Expert Witness	30,000						
Unredemed Checks Refunded	240,000	140,000	140,000	140,000	140,000	140,000	140,000
TOTAL EXPENDITURES	**3,693,500**	**3,317,500**	**3,317,500**	**3,317,500**	**3,374,500**	**3,374,500**	**3,374,500**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends funding for payments of Appropriations Not Otherwise Classified. Any expenditures above the listed amounts are required to be paid from the General Fund Surplus account.

HOUSE REPORT

The House concurs with the Branch Budget recommendation.

SENATE REPORT

The Senate concurs with the House recommendation with the exception of removing the requirement, in the category of Money Refunded, for the Attorney General to approve refunds from the State Treasury.

CONFERENCE REPORT

The Conference concurs with the Senate recommendation.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

331360HO.XLS
3/25/92
7:48 PM

Governmental Branch: Executive
Cabinet/Function: General Government
Agency: Kentucky Flood Control Advisory Commission
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	126,500	147,100	147,100	147,100	151,000	151,000	151,000
II. EXPENDITURES BY CATEGORY							
Personnel Costs	108,700	114,700	114,700	114,700	118,400	118,400	118,400
Operating Expenses	17,800	32,400	32,400	32,400	32,600	32,600	32,600
TOTAL EXPENDITURES	**126,500**	**147,100**	**147,100**	**147,100**	**151,000**	**151,000**	**151,000**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	126,500	131,100	131,100	131,100	135,000	135,000	135,000
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		16,000	16,000	16,000	16,000	16,000	16,000

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal		FY 1992-93			FY 1993-94	
		House	Senate	Conference	House	Senate	Conference
1/E Provide for additional travel costs generated from assisting local governments and working with federal agencies that implement flood projects in Kentucky.	G	10,000	10,000	10,000	10,000	10,000	10,000
2/E Provide more public information and education programs needed for new developments in technology and changes in Nat'l Flood Ins Prog.	G	6,000	6,000	6,000	6,000	6,000	6,000
RECAP BY FUND SOURCE	G	**16,000**	**16,000**	**16,000**	**16,000**	**16,000**	**16,000**
GRAND TOTAL ADDITIONAL BUDGET		**16,000**	**16,000**	**16,000**	**16,000**	**16,000**	**16,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94.

HOUSE REPORT
The House concurs with the Branch Budget recommendation with the exception of providing $16,000 in each year to provide an increased level of assistance to local governments.

SENATE REPORT
The Senate concurs with the House recommendation.

CONFERENCE REPORT
The Conference concurs with the House recommendation.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

331370CO.XLS
3/25/92
7:49 PM

Governmental Branch: Executive
Cabinet/Function: General Government
Agency: Human Rights Commission
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	1,498,500	1,422,800	1,562,800	1,562,800	1,465,500	1,605,500	1,605,500
Restricted Funds		800	800	800	1,100	1,100	1,100
Federal Funds	93,000	162,900	162,900	162,900	93,000	93,000	93,000
TOTAL FUNDS	**1,591,500**	**1,586,500**	**1,726,500**	**1,726,500**	**1,559,600**	**1,699,600**	**1,699,600**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	1,263,200	1,206,400	1,346,400	1,346,400	1,240,700	1,380,700	1,380,700
Operating Expenses	326,200	310,200	310,200	310,200	318,900	318,900	318,900
Capital Outlay	2,100	69,900	69,900	69,900			
TOTAL EXPENDITURES	**1,591,500**	**1,586,500**	**1,726,500**	**1,726,500**	**1,559,600**	**1,699,600**	**1,699,600**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	1,498,500	1,422,800	1,422,800	1,422,800	1,465,500	1,465,500	1,465,500
Restricted Funds		800	800	800	1,100	1,100	1,100
Federal Funds	93,000	93,000	93,000	93,000	93,000	93,000	93,000
TOTAL CURRENT	**1,591,500**	**1,516,600**	**1,516,600**	**1,516,600**	**1,559,600**	**1,559,600**	**1,559,600**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund			140,000	140,000		140,000	140,000
Federal Funds		69,900	69,900	69,900			
TOTAL ADDITIONAL		**69,900**	**209,900**	**209,900**		**140,000**	**140,000**

V. ADDITIONAL BUDGET ITEMS

Item#	Fund Source		FY 1992-93			FY 1993-94	
/Type Service Unit/Description	**/Subtotal**	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
1/E Housing-Computerized data management system for research and report production. Current system is operating at near capacity.	F	69,900	69,900	69,900			

Item#	Fund Source		FY 1992-93			FY 1993-94	
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
2/E Provide 4 additional staff positions, court reporter costs, and hearing costs to support the increased enforcement requirements associated with broadening the civil right's laws.	G		140,000	140,000		140,000	140,000
RECAP BY FUND SOURCE	**G**		**140,000**	**140,000**		**140,000**	**140,000**
	F	**69,900**	**69,900**	**69,900**			
GRAND TOTAL ADDITIONAL BUDGET		**69,900**	**209,900**	**209,900**		**140,000**	**140,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the exception of providing Federal Funds of $69,900 in FY 1992-93 for a data management system.

SENATE REPORT

The Senate concurs with the House recommendation with the exception of providing $140,000 from the General Fund in each year of the biennium for four staff positions, court reporter costs, and hearing costs associated with the increased responsibilities of the Americans with Disabilities Act, and the broadened enforcement requirements of Kentucky's civil right's laws.

CONFERENCE REPORT

The Conference concurs with the Senate recommendation.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

331400VO.XLS
3/25/92
7:50 PM

Governmental Branch: Executive
Cabinet/Function: General Government
Agency: Commission on Women
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	194,400	167,100	167,100	167,100	172,100	172,100	172,100
Restricted Funds	1,500	5,800	5,800	5,800	1,500	1,500	1,500
TOTAL FUNDS	**195,900**	**172,900**	**172,900**	**172,900**	**173,600**	**173,600**	**173,600**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	154,400	131,800	131,800	131,800	134,600	134,600	134,600
Operating Expenses	41,500	41,100	41,100	41,100	39,000	39,000	39,000
TOTAL EXPENDITURES	**195,900**	**172,900**	**172,900**	**172,900**	**173,600**	**173,600**	**173,600**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	194,400	167,100	167,100	167,100	172,100	172,100	172,100
Restricted Funds	1,500	5,800	5,800	5,800	1,500	1,500	1,500
TOTAL CURRENT	**195,900**	**172,900**	**172,900**	**172,900**	**173,600**	**173,600**	**173,600**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94.

HOUSE REPORT
The House concurs with the Branch Budget recommendation.

SENATE REPORT
The Senate concurs with the House recommendation.

CONFERENCE REPORT
The Conference concurs with the House and Senate recommendation.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/25/92
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Governmental Branch: Executive
Cabinet/Function: General Government
Agency: Dept. of Local Government
Unit: County Fees

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
Restricted Funds	30,000,000	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000
II. EXPENDITURES BY CATEGORY							
Personnel Costs	18,339,200	20,131,800	20,131,800	20,131,800	20,131,800	20,131,800	20,131,800
Operating Expenses	10,067,800	10,227,400	10,227,400	10,227,400	10,227,400	10,227,400	10,227,400
Capital Outlay	1,593,000	1,640,800	1,640,800	1,640,800	1,640,800	1,640,800	1,640,800
TOTAL EXPENDITURES	**30,000,000**	**32,000,000**	**32,000,000**	**32,000,000**	**32,000,000**	**32,000,000**	**32,000,000**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
Restricted Funds	30,000,000	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000
V. EXPENDITURES BY UNIT							
Campbell County	1,609,500	1,722,800	1,722,800	1,722,800	1,722,800	1,722,800	1,722,800
Daviess County	2,247,200	2,374,600	2,374,600	2,374,600	2,374,600	2,374,600	2,374,600
Fayette County	5,517,400	5,886,600	5,886,600	5,886,600	5,886,600	5,886,600	5,886,600
Jefferson County	15,953,800	17,062,000	17,062,000	17,062,000	17,062,000	17,062,000	17,062,000
Kenton County	2,992,000	3,160,900	3,160,900	3,160,900	3,160,900	3,160,900	3,160,900
Pike County	1,680,100	1,793,100	1,793,100	1,793,100	1,793,100	1,793,100	1,793,100
TOTAL EXPENDITURES	**30,000,000**	**32,000,000**	**32,000,000**	**32,000,000**	**32,000,000**	**32,000,000**	**32,000,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends continued funding for existing services and programs in FB 1992-94.

HOUSE REPORT
The House concurs with the Branch Budget recommendation.

SENATE REPORT
The Senate concurs with the House recommendation.

CONFERENCE REPORT
The Conference concurs with the House and Senate recommendations.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/25/92
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Governmental Branch: Executive
Cabinet/Function: General Government
Agency: Kentucky Retirement Systems
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund		922,500	922,500	922,500	922,500		
Restricted Funds	8,148,700	9,307,100	9,307,100	9,307,100	9,726,100	9,726,100	9,726,100
TOTAL FUNDS	**8,148,700**	**10,229,600**	**10,229,600**	**10,229,600**	**10,648,600**	**9,726,100**	**9,726,100**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	7,184,800	9,030,200	9,030,200	9,030,200	9,484,000	8,561,500	8,561,500
Operating Expenses	845,100	1,118,600	1,118,600	1,118,600	1,083,800	1,083,800	1,083,800
Capital Outlay	118,800						
Construction Outlay		80,800	80,800	80,800	80,800	80,800	80,800
TOTAL EXPENDITURES	**8,148,700**	**10,229,600**	**10,229,600**	**10,229,600**	**10,648,600**	**9,726,100**	**9,726,100**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
Restricted Funds	8,148,700	8,703,600	8,703,600	8,703,600	8,933,600	8,933,600	8,933,600
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		922,500	922,500	922,500	922,500		
Restricted Funds		603,500	603,500	603,500	792,500	792,500	792,500
TOTAL ADDITIONAL		**1,526,000**	**1,526,000**	**1,526,000**	**1,715,000**	**792,500**	**792,500**

V. ADDITIONAL BUDGET ITEMS

Item#	Fund Source		FY 1992-93			FY 1993-94	
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
1/E Appointment of medical hearing officer, and medical examination cost increase.	R	96,000	96,000	96,000	96,000	96,000	96,000
2/E Total of 28 full time positions to handle the increased demands of the growing system. Additional office space and equipment is included for the new personnel.	R	507,500	507,500	507,500	696,500	696,500	696,500

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
3/E Provide a 1% Cost-of-Living increase to Kentucky Retirement Systems and State Police Retirement System retirees.	G	922,500	922,500	922,500	922,500		
RECAP BY FUND SOURCE	**G**	**922,500**	**922,500**	**922,500**	**922,500**		
	R	**603,500**	**603,500**	**603,500**	**792,500**	**792,500**	**792,500**
GRAND TOTAL ADDITIONAL BUDGET		**1,526,000**	**1,526,000**	**1,526,000**	**1,715,000**	**792,500**	**792,500**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the following exceptions. The House report provides for an additional 28 staff positions over the biennium to handle the increased work load, funding for a medical hearing officer, and for an increase in the cost of medical examinations. The House also provides $922,500 from the General Fund in each year of the biennium for a 1% Cost-of-Living increase for Kentucky Employee Retirement Systems and State Police Retirement System retirees.

SENATE REPORT

The Senate concurs with the House recommendation with the exception of providing the necessary funding of $922,500 only in the first year of the biennium for the 1% cost-of-living increase for retirees.

CONFERENCE REPORT

The Conference concurs with the Senate recommendation.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: General Government
Agency: Boards and Commissions
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
Restricted Funds	7,769,400	7,917,900	7,917,900	7,917,900	7,988,700	7,988,700	7,988,700
II. EXPENDITURES BY CATEGORY							
Personnel Costs	4,820,000	4,909,500	4,909,500	4,909,500	5,045,400	5,045,400	5,045,400
Operating Expenses	2,390,700	2,305,900	2,305,900	2,305,900	2,351,500	2,351,500	2,351,500
Grants, Loans, Benefits	437,700	438,300	438,300	438,300	459,900	459,900	459,900
Capital Outlay	121,000	264,200	264,200	264,200	131,900	131,900	131,900
TOTAL EXPENDITURES	**7,769,400**	**7,917,900**	**7,917,900**	**7,917,900**	**7,988,700**	**7,988,700**	**7,988,700**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
Restricted Funds	7,769,400	7,528,500	7,528,500	7,528,500	7,727,100	7,727,100	7,727,100
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Restricted Funds		389,400	389,400	389,400	261,600	261,600	261,600

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive
Cabinet/Function: General Government
Agency: Boards and Commissions

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/N Real Estate Appraisers Bd - Provide two staff positions to oversee operations when Board becomes independent of the Real Estate Commission in July of 1992.	R	56,500	56,500	56,500	67,000	67,000	67,000
2/E Board of Auctioneers - Provide one-time funding for educational seminar to be held in conjunction with Nat'l Auctioneer Assoc convention in Lexington in July of 1992.	R	5,000	5,000	5,000			
3/E Hairdressers & Cosmetologists - Provide for replacement of the information processing system to solve the problems of processing delays, inadequate storage space, and outdated software.	R	126,700	126,700	126,700	21,900	21,900	21,900
4/E Medical Licensure - Provide maintenance and software support for new computer system installed in January, 1991.	R	55,300	55,300	55,300	54,300	54,300	54,300
5/E Medical Licensure - Provide for increased rent, utilities, and janitorial services generated from move.	R	5,500	5,500	5,500	3,600	3,600	3,600
6/E Board of Nursing - Provide lease-purchase payments for computer equipment approved in FB 1990-92 budget.	R	100,900	100,900	100,900	88,200	88,200	88,200

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
7/E Board of Accountancy - Provide for computer enhancements and filled personnel positions.	R	39,500	39,500	39,500	26,600	26,600	26,600
RECAP BY FUND SOURCE	**R**	**389,400**	**389,400**	**389,400**	**261,600**	**261,600**	**261,600**
GRAND TOTAL ADDITIONAL BUDGET		**389,400**	**389,400**	**389,400**	**261,600**	**261,600**	**261,600**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94 with the following exceptions:

	FY 1992-93	FY 1993-94
Real Estate Appraisers Board - To allow the Board to become administratively independant of the Real Estate Commission in July of 1992.	37,100	38,800
Board of Auctioneers - Educational seminar to be held in conjunction with National Auctioneer Assoc. convention.	5,000	
Board of Hairdressers & Cosmetologists - Replacement of computer system.	104,700	3,300
Board of Medical Licensure - Provide maintenance and software support for computer system, and for additional operating costs.	29,400	18,300
Board of Nursing - Provide lease purchase payments for previously authorized computer.	100,900	88,200

HOUSE REPORT
The House concurs with the Branch Budget recommendation with the following exceptions. The Real Estate Appraiser's additional funding is increased to $56,500 in FY 1992-93 and $67,000 in FY 1993-94 to fully fund a Director position. The Board of Accountancy is funded with an additional $39,500 in FY 1992-93 and $26,600 in FY 1993-94 to provide for computer enhancements and funding of filled personnel positions. The Board of Medical Licensure's additional funding request is increased to $55,300 in FY 1992-93 and $54,300 in FY 1993-94 to provide maintenance and software support for the computer system. The Board of Cosmetologists and Hairdressers is funded with $126,700 in FY 1992-93 and $21,900 in FY 1993-94 to provide for replacement of the information processing system. Notwithstanding KRS 317.450, the Kentucky Board of Barbering is directed to increase the licensing and renewal fees necessary to provide for the enacted budget expenditure level.

SENATE REPORT
The Senate concurs with the House recommendation.

CONFERENCE REPORT
The Conference concurs with the House and Senate recommendation.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY
BOARDS AND COMMISSIONS

	FY 1991-92	FY 1992-93			FY 1993-94		
	BUDGET	HOUSE	SENATE	CONFERENCE	HOUSE	SENATE	CONFERENCE
Accountancy	388,500	416,000	416,000	416,000	410,900	410,900	410,900
Architecture	104,900	107,800	107,800	107,800	112,700	112,700	112,700
Athletic Commission	60,300	60,300	60,300	60,300	60,300	60,300	60,300
Appraisers		170,000	170,000	170,000	180,500	180,500	180,500
Auctioneers	202,200	214,100	214,100	214,100	219,800	219,800	219,800
Barbering	130,100	133,100	133,100	133,100	136,700	136,700	136,700
Chiropractic Examiners	71,300	73,200	73,200	73,200	75,600	75,600	75,600
Denistry	190,900	203,800	203,800	203,800	211,800	211,800	211,800
Dieticians & Nutritionists	10,200	10,700	10,700	10,700	11,000	11,000	11,000
Embalmers & Funeral Directors	140,600	146,900	146,900	146,900	151,200	151,200	151,200
Engineers	419,500	423,600	423,600	423,600	434,200	434,200	434,200
Hairdressers & Cosmetologists	518,300	670,300	670,300	670,300	587,200	587,200	587,200
Hearing Aid Dealers	21,000	22,000	22,000	22,000	23,000	23,000	23,000
Landscape Architects	27,000	27,700	27,700	27,700	28,400	28,400	28,400
Medical Licensure	870,000	932,600	932,600	932,600	955,900	955,900	955,900
Nursing	1,539,000	1,618,500	1,618,500	1,618,500	1,636,100	1,636,100	1,636,100
Nursing Home Administrators	42,400	44,500	44,500	44,500	46,400	46,400	46,400
Occupational Therapy	15,000	15,700	15,700	15,700	16,400	16,400	16,400
Ophthalmic Dispensers	7,100	7,700	7,700	7,700	7,800	7,800	7,800
Optometric Examiners	67,500	71,600	71,600	71,600	75,700	75,700	75,700
Pharmacy	489,700	454,300	454,300	454,300	447,200	447,200	447,200
Physical Therapy	108,100	111,300	111,300	111,300	114,900	114,900	114,900
Podiatry	7,100	8,100	8,100	8,100	9,300	9,300	9,300
Psychologists	67,200	70,500	70,500	70,500	73,500	73,500	73,500
Real Estate Commission	1,976,000	1,666,000	1,666,000	1,666,000	1,715,900	1,715,900	1,715,900
Respiratory Care Practitioners	60,000	58,500	58,500	58,500	60,200	60,200	60,200
Social Workers	76,700	79,900	79,900	79,900	83,000	83,000	83,000
Speech Pathologists	30,100	31,200	31,200	31,200	32,800	32,800	32,800
Veterinary Examiners	128,700	68,000	68,000	68,000	70,300	70,300	70,300
TOTALS	**7,769,400**	**7,917,900**	**7,917,900**	**7,917,900**	**7,988,700**	**7,988,700**	**7,988,700**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: General Government
Agency: Governmental Services Center
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
Restricted Funds	1,287,400	1,187,100	1,187,100	1,187,100	1,211,600	1,211,600	1,211,600
II. EXPENDITURES BY CATEGORY							
Personnel Costs	1,029,700	938,400	938,400	938,400	961,100	961,100	961,100
Operating Expenses	257,700	248,700	248,700	248,700	250,500	250,500	250,500
TOTAL EXPENDITURES	**1,287,400**	**1,187,100**	**1,187,100**	**1,187,100**	**1,211,600**	**1,211,600**	**1,211,600**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
Restricted Funds	1,287,400	1,187,100	1,187,100	1,187,100	1,211,600	1,211,600	1,211,600

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94.

HOUSE REPORT
The House concurs with the Branch Budget recommendation.

SENATE REPORT
The Senate concurs with the House recommendation.

CONFERENCE REPORT
The Conference concurs with the House and Senate recommendations.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: General Government
Agency: Capital Plaza Authority
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund		59,300	59,300	59,300	61,700	61,700	61,700
Restricted Funds	450,000	473,500	473,500	473,500	483,100	483,100	483,100
TOTAL FUNDS	**450,000**	**532,800**	**532,800**	**532,800**	**544,800**	**544,800**	**544,800**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	343,400	414,700	414,700	414,700	424,600	424,600	424,600
Operating Expenses	106,600	118,100	118,100	118,100	120,200	120,200	120,200
TOTAL EXPENDITURES	**450,000**	**532,800**	**532,800**	**532,800**	**544,800**	**544,800**	**544,800**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund		59,300	59,300	59,300	61,700	61,700	61,700
Restricted Funds	450,000	461,400	461,400	461,400	468,900	468,900	468,900
TOTAL CURRENT	**450,000**	**520,700**	**520,700**	**520,700**	**530,600**	**530,600**	**530,600**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Restricted Funds		12,100	12,100	12,100	14,200	14,200	14,200

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/E Provide payment to Self-Insured Fire and Tornado Insurance Fund which previously has been paid by FAC-Facilities Management. Total premium is $67,000.	R	12,100	12,100	12,100	14,200	14,200	14,200
RECAP BY FUND SOURCE	**R**	**12,100**	**12,100**	**12,100**	**14,200**	**14,200**	**14,200**
GRAND TOTAL ADDITIONAL BUDGET		**12,100**	**12,100**	**12,100**	**14,200**	**14,200**	**14,200**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94 and includes $59,300 in FY 1992-93 and $61,700 in FY 1993-94 for personnel costs from the General Fund for the planned events program which has moved from the Tourism Cabinet to the Finance and Administration Cabinet during the FB 1992.

HOUSE REPORT

The House concurs with the Branch Budget recommendation.

SENATE REPORT

The Senate concurs with the Branch Budget recommendation.

CONFERENCE REPORT

The Conference concurs with the House and Senate recommendations.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: **GENERAL GOVERNMENT CABINET**

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**SECRETARY OF STATE**										
2	COMPUTER UPGRADE *Reauthorization*	CC				49,000	49,000	49,000			
AGENCY	**TOTAL**					**49,000**	**49,000**	**49,000**			
Capital Construction Surplus						49,000	49,000	49,000			
AGENCY	**TOTAL**					**49,000**	**49,000**	**49,000**			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: GENERAL GOVERNMENT CABINET

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY: BOARD OF ELECTIONS										
1 COMPUTER UPGRADE *Reauthorization*	CC				34,000	34,000	34,000			
AGENCY TOTAL					**34,000**	**34,000**	**34,000**			
Capital Construction Surplus					34,000	34,000	34,000			
AGENCY TOTAL					**34,000**	**34,000**	**34,000**			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: GENERAL GOVERNMENT CABINET

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY: DEPT OF AGRICULTURE										
1 AIRPLANE ENGINE	CC							61,000	61,000	61,000
AGENCY	**TOTAL**							**61,000**	**61,000**	**61,000**
Capital Construction Surplus								61,000	61,000	61,000
AGENCY	**TOTAL**							**61,000**	**61,000**	**61,000**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: GENERAL GOVERNMENT CABINET

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**MILITARY AFFAIRS**										
2	AIRCRAFT MAINTENANCE AND REPAIR	II				235,000	235,000	235,000			
3	AIRCRAFT MAINTENANCE AND REPAIR	II							265,000	265,000	265,000
4	MINOR MAINTENANCE POOL	FF II				151,000 900,000	151,000 900,000	151,000 900,000			
5	MINOR MAINTENANCE POOL	FF II							137,000 900,000	137,000 900,000	137,000 900,000
7	AIRPORT SIDESLOPE EXCAVATION	FF CC				302,000 17,000	302,000 17,000	302,000 17,000			
12	NATIONAL GUARD ARMORY, BENTON *Reauthorization*										
14	NATIONAL GUARD ARMORY, SHELBYVILLE *Reauthorization*										
AGENCY	**TOTAL**					**1,605,000**	**1,605,000**	**1,605,000**	**1,302,000**	**1,302,000**	**1,302,000**
Federal Fund						453,000	453,000	453,000	137,000	137,000	137,000
Investment Income						1,135,000	1,135,000	1,135,000	1,165,000	1,165,000	1,165,000
Capital Construction Surplus						17,000	17,000	17,000			
AGENCY	**TOTAL**					**1,605,000**	**1,605,000**	**1,605,000**	**1,302,000**	**1,302,000**	**1,302,000**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: **GENERAL GOVERNMENT CABINET**

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**DEPT OF PERSONNEL**										
1	IBM AS/400 COMPUTER	FF				25,000	25,000	25,000	15,000	15,000	15,000
AGENCY		**TOTAL**				**25,000**	**25,000**	**25,000**	**15,000**	**15,000**	**15,000**
Federal Fund						25,000	25,000	25,000	15,000	15,000	15,000
AGENCY		**TOTAL**				**25,000**	**25,000**	**25,000**	**15,000**	**15,000**	**15,000**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

CABINET/FUNCTION: GENERAL GOVERNMENT CABINET

03/30/92

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**KENTUCKY RETIREMENT SYSTEMS**										
0	IBM AS400 LEASE PURCHASE	RF				80,800	80,800	80,800	80,800	80,800	80,800
AGENCY		**TOTAL**				**80,800**	**80,800**	**80,800**	**80,800**	**80,800**	**80,800**
Restricted Fund						80,800	80,800	80,800	80,800	80,800	80,800
AGENCY		**TOTAL**				**80,800**	**80,800**	**80,800**	**80,800**	**80,800**	**80,800**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

CABINET/FUNCTION: GENERAL GOVERNMENT CABINET

03/30/92

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
CABINET/FUNCTION	**TOTAL**				**1,793,800**	**1,793,800**	**1,793,800**	**1,458,800**	**1,458,800**	**1,458,800**
Federal Fund					478,000	478,000	478,000	152,000	152,000	152,000
Restricted Fund					80,800	80,800	80,800	80,800	80,800	80,800
Investment Income					1,135,000	1,135,000	1,135,000	1,165,000	1,165,000	1,165,000
Capital Construction Surplus					100,000	100,000	100,000	61,000	61,000	61,000
CABINET/FUNCTION	**TOTAL**				**1,793,800**	**1,793,800**	**1,793,800**	**1,458,800**	**1,458,800**	**1,458,800**

1992 GENERAL ASSEMBLY

FB 1992-94 STATE/EXECUTIVE BRANCH BUDGET MEMORANDUM

ED. ECONOMIC DEVELOPMENT

APRIL 1, 1992

1992 GENERAL ASSEMBLY
FB 1992-94 CONFERENCE ANALYSIS
GENERAL FUND SUMMARY

FUNCTION: Economic Development

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
Secretary's Office	43,187,800	1,618,800	1,618,800	1,718,800	2,163,600	2,163,600	2,013,600
Existing Business and Industry	2,330,800						
Ky. Development Finance Auth.	6,207,200						
Financial Incentive		45,236,300	45,236,300	44,986,300	49,038,000	49,038,000	49,038,000
Job Development		1,817,300	1,817,300	1,817,300	1,844,200	1,844,200	1,844,200
Community Development		3,111,200	2,953,100	2,953,100	3,078,600	2,915,800	2,915,800
Administration and Support		1,585,100	1,585,100	1,585,100	1,625,000	1,625,000	1,625,000
Operating Budget Total	51,725,800	53,368,700	53,210,600	53,060,600	57,749,400	57,586,600	57,436,600
Capital Budget							
Grand Total	**51,725,800**	**53,368,700**	**53,210,600**	**53,060,600**	**57,749,400**	**57,586,600**	**57,436,600**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Economic Development

Agency: **Cabinet Summary**
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	51,225,800	53,368,700	53,210,600	53,060,600	57,749,400	57,586,600	57,436,600
General Fund Special	500,000						
Restricted Funds	1,964,100	1,919,500	1,868,300	1,868,300	1,947,000	1,900,600	1,900,600
Federal Funds	283,800	120,000	120,000	120,000	123,800	123,800	123,800
General Fund Continuing	3,072,400	2,671,800	2,671,800	2,921,800			
TOTAL FUNDS	**57,046,100**	**58,080,000**	**57,870,700**	**57,970,700**	**59,820,200**	**59,611,000**	**59,461,000**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	7,773,900	6,848,900	6,723,300	6,723,300	7,044,300	6,918,800	6,918,800
Operating Expenses	2,225,600	2,704,800	2,621,100	2,621,100	2,736,000	2,652,300	2,652,300
Grants, Loans, Benefits	8,869,700	7,272,100	7,272,100	7,372,100	5,112,900	5,112,900	4,962,900
Debt Service	38,160,900	41,079,600	41,079,600	41,079,600	44,853,600	44,853,600	44,853,600
Capital Outlay	16,000	174,600	174,600	174,600	73,400	73,400	73,400
TOTAL EXPENDITURES	**57,046,100**	**58,080,000**	**57,870,700**	**57,970,700**	**59,820,200**	**59,611,000**	**59,461,000**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	51,225,800	51,885,000	51,885,000	51,735,000	52,577,400	52,577,400	52,427,400
Restricted Funds	1,964,100	1,868,300	1,868,300	1,868,300	1,900,600	1,900,600	1,900,600
Federal Funds	283,800	120,000	120,000	120,000	123,800	123,800	123,800
General Fund Continuing	3,072,400	2,671,800	2,671,800	2,921,800			
TOTAL CURRENT	**56,546,100**	**56,545,100**	**56,545,100**	**56,645,100**	**54,601,800**	**54,601,800**	**54,451,800**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		1,483,700	1,325,600	1,325,600	5,172,000	5,009,200	5,009,200
General Fund Special	500,000						
Restricted Funds		51,200			46,400		
TOTAL ADDITIONAL	**500,000**	**1,534,900**	**1,325,600**	**1,325,600**	**5,218,400**	**5,009,200**	**5,009,200**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive
Cabinet/Function: Economic Dev.
Agency: Secretary's Office
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	42,687,800	1,618,800	1,618,800	1,718,800	2,163,600	2,163,600	2,013,600
General Fund Special	500,000						
Restricted Funds	597,200	40,000	40,000	40,000	40,000	40,000	40,000
Federal Funds	79,700						
General Fund Continuing	3,072,400						
TOTAL FUNDS	**46,937,100**	**1,658,800**	**1,658,800**	**1,758,800**	**2,203,600**	**2,203,600**	**2,053,600**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	4,822,000	1,019,800	1,019,800	1,019,800	1,055,100	1,055,100	1,055,100
Operating Expenses	1,508,100	239,000	239,000	239,000	248,500	248,500	248,500
Grants, Loans, Benefits	8,653,300	400,000	400,000	500,000	900,000	900,000	750,000
Debt Service	31,953,700						
TOTAL EXPENDITURES	**46,937,100**	**1,658,800**	**1,658,800**	**1,758,800**	**2,203,600**	**2,203,600**	**2,053,600**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	42,687,800	1,618,800	1,618,800	1,718,800	2,163,600	2,163,600	2,013,600
Restricted Funds	597,200	40,000	40,000	40,000	40,000	40,000	40,000
Federal Funds	79,700						
General Fund Continuing	3,072,400						
TOTAL CURRENT	**46,437,100**	**1,658,800**	**1,658,800**	**1,758,800**	**2,203,600**	**2,203,600**	**2,053,600**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund Special	500,000						

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94. The Branch Budget includes the transfer of the Kentucky Arts Council to the Secretary's Office, Education and Humanities Cabinet. Debt Service for Economic Development Bonds and the Kentucky Turnpike Authority has been reorganized under Financial Incentives. The Branch Budget also recommends increasing the East Kentucky Job Corporation by $150,000 to $400,000 per year in the biennium. The new organizational structure for FB 1992-94 reorganizes the subunits, presently located in the Secretary's Office, into the following new divisions:

Administrative & Support
Administrative Services

Community Development
Business & Technology
International Marketing

Financial Incentives
KREDA
International Marketing
BSSC
Debt Service

Job Development
Industrial Development
International Marketing

HOUSE REPORT

The House concurs with the Branch Budget .

SENATE REPORT

The Senate concurs with the House recommendation with the exception of providing an additional $500,000 in FY 1991-92 to perform feasibility studies, environmental analysis and site evaluation and job creation pre-commitment expenses including but not limited to the Uranium Enrichment Plant in Paducah.

CONFERENCE REPORT

The Conference concurs with the House and Senate with the exception of providing $250,000 per year in the biennium for the East Kentucky Job Corporation. Technical corrections made.

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CONFERENCE ANALYSIS
CURRENT YEAR BUDGET REQUESTS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Economic Dev.

Agency: **Secretary's Office**
Unit:

	Request	Branch	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:					
FUND SOURCE					
General Fund	49,041,400	42,687,800	42,687,800	42,687,800	42,687,800
General Fund Special				500,000	500,000
Restricted Funds	680,800	597,200	597,200	597,200	597,200
Federal Funds	831,700	79,700	79,700	79,700	79,700
General Fund Continuing		3,072,400	3,072,400	3,072,400	3,072,400
TOTAL FUNDS	**50,553,900**	**46,437,100**	**46,437,100**	**46,937,100**	**46,937,100**
II. EXPENDITURES BY CATEGORY					
Personnel Costs	5,228,000	4,822,000	4,822,000	4,822,000	4,822,000
Operating Expenses	1,727,400	1,508,100	1,508,100	1,508,100	1,508,100
Grants, Loans, Benefits	11,708,100	8,153,300	8,153,300	8,653,300	8,653,300
Debt Service	31,890,400	31,953,700	31,953,700	31,953,700	31,953,700
TOTAL EXPENDITURES	**50,553,900**	**46,437,100**	**46,437,100**	**46,937,100**	**46,937,100**
III. CURRENT SERVICES BUDGET					
FUND SOURCE					
General Fund	49,041,400	42,687,800	42,687,800	42,687,800	42,687,800
Restricted Funds	680,800	597,200	597,200	597,200	597,200
Federal Funds	831,700	79,700	79,700	79,700	79,700
General Fund Continuing		3,072,400	3,072,400	3,072,400	3,072,400
TOTAL CURRENT	**50,553,900**	**46,437,100**	**46,437,100**	**46,437,100**	**46,437,100**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE					
FUND SOURCE					
General Fund Special				500,000	500,000

V. ADDITIONAL BUDGET ITEMS/CURRENT YEAR

Item# /Type Service Unit/Description	Fund Source /Subtotal	Request	Branch Budget	House	Senate	Conference
1/E Executive Policy&Management- environmental impact analysis, site evaluation and survey, and job creation pre-commitment expenses.	GS				500,000	500,000
GRAND TOTAL					**500,000**	**500,000**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive **Agency: Financial Incentives**
Cabinet/Function: Economic Dev. **Unit:**

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund		45,236,300	45,236,300	44,986,300	49,038,000	49,038,000	49,038,000
Restricted Funds		1,448,200	1,448,200	1,448,200	1,478,200	1,478,200	1,478,200
General Fund Continuing		2,671,800	2,671,800	2,921,800			
TOTAL FUNDS		**49,356,300**	**49,356,300**	**49,356,300**	**50,516,200**	**50,516,200**	**50,516,200**
II. EXPENDITURES BY CATEGORY							
Personnel Costs		1,273,500	1,273,500	1,273,500	1,311,900	1,311,900	1,311,900
Operating Expenses		676,100	676,100	676,100	682,800	682,800	682,800
Grants, Loans, Benefits		6,327,100	6,327,100	6,327,100	3,667,900	3,667,900	3,667,900
Debt Service		41,079,600	41,079,600	41,079,600	44,853,600	44,853,600	44,853,600
TOTAL EXPENDITURES		**49,356,300**	**49,356,300**	**49,356,300**	**50,516,200**	**50,516,200**	**50,516,200**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund		45,236,300	45,236,300	44,986,300	45,276,500	45,276,500	45,276,500
Restricted Funds		1,448,200	1,448,200	1,448,200	1,478,200	1,478,200	1,478,200
General Fund Continuing		2,671,800	2,671,800	2,921,800			
TOTAL CURRENT		**49,356,300**	**49,356,300**	**49,356,300**	**46,754,700**	**46,754,700**	**46,754,700**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund					3,761,500	3,761,500	3,761,500

V. ADDITIONAL BUDGET ITEMS		FY 1992-93			FY 1993-94		
Item# /Type Service Unit/Description	**Fund Source /Subtotal**	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
1 Debt Service- Cost for Bonds- FY 93 ($8 Million) Murray Special Events Center; FY 94 ($12.5 million) Louisville Waterfront Development and FY 94 ($15 million) Economic Development Bond Pool	G				3,761,500	3,761,500	3,761,500
RECAP BY FUND SOURCE	**G**				**3,761,500**	**3,761,500**	**3,761,500**
GRAND TOTAL ADDITIONAL BUDGET					**3,761,500**	**3,761,500**	**3,761,500**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94. The Branch Budget includes all debt service of $41,079,600 in FY 1992-93 and $41,092,100 in FY 1993-94 for various issues of Economic Development Bonds as well as one Kentucky Turnpike Authority issue:

	FY 1991-92	FY 1992-93	FY 1993-94
Project 30	7,167,400	2,201,300	2,211,600
Project 39	4,244,200	4,245,100	4,252,900
Project 40	9,778,400	9,632,000	9,624,300
Project 48	531,500	520,300	520,600
Project 49	1,421,500	1,421,300	1,420,900
Project 50	720,000	2,146,300	2,146,100
Project 51	3,054,300	6,232,300	6,227,400
Project 52	566,800	2,345,500	2,343,700
Project 53	452,500	2,015,700	2,014,000
Unissued EDB Pool - 1990-92	4,017,100	2,801,000	2,801,000
Unissued Line Items		265,000	265,000
Unissued Community Dev. Project		1,024,800	1,024,800
K.D.F.A. - Project 34	5,619,700	5,637,400	5,650,600
K.D.F.A. - Project 47	587,500	591,600	589,200

Debt service on new authorization of $15 million in Economic Development Bonds is recommended at $1,658,900 in FY 1993-94. Other additional funding includes $2,102,600 in FY 1993-94 for the Community Development Bond Program, for debt service on bonds of $8 million for the Murray Special Events Center and $12.5 million for the Louisville Waterfront Development projects.

The Branch Budget has included the General Tire Training as a separate expenditure unit from Bluegrass State Skills Corporation.

HOUSE REPORT

The House concurs with the Branch Budget with the following exceptions: that the Bluegrass State Skills Corporation submit a quarterly financial report, to the Legislative Research Commission for referral to the appropriate committees;
Specifies the $12.5 million state bond and the $12.5 million local match from private sources for the Louisville Waterfront Development Project meet all Economic Development Bond guidelines as specified in Part II, Capital Projects Budget, of House Bill 468 and also provides that the $12.5 million state bond not be utilized until the required matching funds are obtained.
Economic Development Bonds of $650,000, appropriated by the 1990 General Assembly for the City of Richmond Parking Garage Project, is reappropriated for the Lake Reba Recreational Area Complex Improvement Project.
Moves the $1 million Surplus Bond Proceeds for the Northern Kentucky Convention Center from FY 1993-94 to FY 1992-93.

SENATE REPORT

The Senate concurs with the House with the following exceptions: that the $12.5 million local match for the Louisville Waterfront Development Project be from private, non-governmental sources. Specifies that the State bond shall not be utilized until the Secretaries of the Economic Development Cabinet and the Finance and Administration Cabinet are satisfied that the $12.5 million local match from private, non-governmental sources is assured.

CONFERENCE REPORT

The Conference concurs with the Senate.
Technical corrections made.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Economic Dev.

Agency: **Job Development**
Unit:

	FY 1991-92 Budget	FY 1992-93 House	Senate	Conference	FY 1993-94 House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund		1,817,300	1,817,300	1,817,300	1,844,200	1,844,200	1,844,200
II. EXPENDITURES BY CATEGORY							
Personnel Costs		1,387,000	1,387,000	1,387,000	1,415,500	1,415,500	1,415,500
Operating Expenses		430,300	430,300	430,300	428,700	428,700	428,700
TOTAL EXPENDITURES		**1,817,300**	**1,817,300**	**1,817,300**	**1,844,200**	**1,844,200**	**1,844,200**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund		1,817,300	1,817,300	1,817,300	1,844,200	1,844,200	1,844,200

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94.

HOUSE REPORT
The House concurs with the Branch Budget.

SENATE REPORT
The Senate concurs with the House .

CONFERENCE REPORT
The Conference concurs with the House and Senate.

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Economic Dev.

Agency: Community Development
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund		3,111,200	2,953,100	2,953,100	3,078,600	2,915,800	2,915,800
Restricted Funds		187,500	136,300	136,300	185,000	138,600	138,600
Federal Funds		120,000	120,000	120,000	123,800	123,800	123,800
TOTAL FUNDS		**3,418,700**	**3,209,400**	**3,209,400**	**3,387,400**	**3,178,200**	**3,178,200**
II. EXPENDITURES BY CATEGORY							
Personnel Costs		2,065,200	1,939,600	1,939,600	2,131,100	2,005,600	2,005,600
Operating Expenses		633,900	550,200	550,200	637,900	554,200	554,200
Grants, Loans, Benefits		545,000	545,000	545,000	545,000	545,000	545,000
Capital Outlay		174,600	174,600	174,600	73,400	73,400	73,400
TOTAL EXPENDITURES		**3,418,700**	**3,209,400**	**3,209,400**	**3,387,400**	**3,178,200**	**3,178,200**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund		1,627,500	1,627,500	1,627,500	1,668,100	1,668,100	1,668,100
Restricted Funds		136,300	136,300	136,300	138,600	138,600	138,600
Federal Funds		120,000	120,000	120,000	123,800	123,800	123,800
TOTAL CURRENT		**1,883,800**	**1,883,800**	**1,883,800**	**1,930,500**	**1,930,500**	**1,930,500**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		1,483,700	1,325,600	1,325,600	1,410,500	1,247,700	1,247,700
Restricted Funds		51,200			46,400		
TOTAL ADDITIONAL		**1,534,900**	**1,325,600**	**1,325,600**	**1,456,900**	**1,247,700**	**1,247,700**

V. ADDITIONAL BUDGET ITEMS

Item#	**Fund Source**	**FY 1992-93**			**FY 1993-94**		
/Type Service Unit/Description	**/Subtotal**	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
1/N Recycling Brokerage Authority-Establish the Ky. Recycling Brokerage Authority with a goal of reducing landfill space requirments, adds 3 PFT.	G	280,200	280,200	280,200	255,700	255,700	255,700

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
2/N Regional Offices- Establish Regional Offices in Central, Western and Eastern Kentucky to assist local communities.	G	1,045,400	1,045,400	1,045,400	992,000	992,000	992,000
3/C Crafts Marketing - transfer from the Secretary's Office, Education and Humanities Cabinet.	G	158,100			162,800		
	R	51,200			46,400		
	Total	**209,300**			**209,200**		
RECAP BY FUND SOURCE	**G**	**1,483,700**	**1,325,600**	**1,325,600**	**1,410,500**	**1,247,700**	**1,247,700**
	R	**51,200**			**46,400**		
GRAND TOTAL ADDITIONAL BUDGET		**1,534,900**	**1,325,600**	**1,325,600**	**1,456,900**	**1,247,700**	**1,247,700**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94. The Branch Budget recommends funding of $280,200 in FY 1992-93 and $255,700 in FY 1993-94 to establish the Recycling Brokerage Authority. The Branch Budget also recommends $1,045,400 in FY 1992-93 and $992,000 in FY 1993-94 to establish 3 Regional Offices, with the Central Regional Office being a redirection of the current Existing Industry Division functioning within the Cabinet. The Branch Budget recommends funding of $270,700 in FY 1992-93 and $284,700 in FY 1993-94 to establish the Coal and Export Marketing Division which will consist of transferring two employees from the International Marketing Division for Export Services, and $232,000 in FY 1992-93 and $239,000 in FY 1993-94 to represent the Coal Marketing initiative.

HOUSE REPORT

The House concurs with the Branch Budget with the exception that the Central Regional Office be located at the Cabinet's headquarters in Frankfort. The House Budget includes the transfer of the Crafts Marketing program from the Secretary's Office, Education and Humanities Cabinet.

SENATE REPORT

The Senate concurs with the Branch Budget.

CONFERENCE REPORT

The Conference concurs with the Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

336ADMIN.XLS
3/27/92
10:35 AM

Governmental Branch: Executive
Cabinet/Function: Economic Dev.

Agency: **Administration & Support**
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund		1,585,100	1,585,100	1,585,100	1,625,000	1,625,000	1,625,000
Restricted Funds		243,800	243,800	243,800	243,800	243,800	243,800
TOTAL FUNDS		**1,828,900**	**1,828,900**	**1,828,900**	**1,868,800**	**1,868,800**	**1,868,800**
II. EXPENDITURES BY CATEGORY							
Personnel Costs		1,103,400	1,103,400	1,103,400	1,130,700	1,130,700	1,130,700
Operating Expenses		725,500	725,500	725,500	738,100	738,100	738,100
TOTAL EXPENDITURES		**1,828,900**	**1,828,900**	**1,828,900**	**1,868,800**	**1,868,800**	**1,868,800**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund		1,585,100	1,585,100	1,585,100	1,625,000	1,625,000	1,625,000
Restricted Funds		243,800	243,800	243,800	243,800	243,800	243,800
TOTAL CURRENT		**1,828,900**	**1,828,900**	**1,828,900**	**1,868,800**	**1,868,800**	**1,868,800**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94.

HOUSE REPORT
The House concurs with the Branch Budget.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the House and Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

336640EO.XLS
3/27/92
10:36 AM

Governmental Branch: Executive
Cabinet/Function: Economic Dev.

Agency: **Existing Business & Industry**
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	2,330,800						
Restricted Funds	408,900						
Federal Funds	204,100						
TOTAL FUNDS	**2,943,800**						
II. EXPENDITURES BY CATEGORY							
Personnel Costs	2,079,200						
Operating Expenses	632,200						
Grants, Loans, Benefits	216,400						
Capital Outlay	16,000						
TOTAL EXPENDITURES	**2,943,800**						
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	2,330,800						
Restricted Funds	408,900						
Federal Funds	204,100						
TOTAL CURRENT	**2,943,800**						

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94. The Branch Budget includes the transfer of the Crafts Marketing Program to the Secretary's Office, Education and Humanities Cabinet. The new organizational structure for FB 1992-94 reorganizes the subunits, presently located in Existing Business and Industry, into the following new divisions:

Administrative & Support
Research Division

Job Development
Research Division

Community Development
Minority Business
Commissioners Office
Ky. Procurement Assistance
Existing Industries
Marina Development
Port & River Development
Bus. Infor. Clearinghouse
Small Business

Financial Incentives
Enterprise Zones
Commissioners Office

HOUSE REPORT
The Revised Budget for FY 1991-92 includes the transfer of the Crafts Marketing Program from the Secretary's Office, Education and Humanities Cabinet.

SENATE REPORT
The Senate concurs with the Branch Budget with respect to the Crafts Marketing Program.

CONFERENCE REPORT
The Conference concurs with the Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

336650GO.XLS
3/27/92
10:37 AM

Governmental Branch: Executive
Cabinet/Function: Economic Dev.

Agency: **Ky. Development Finance Authority**
Unit: **Administration**

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	6,207,200						
Restricted Funds	958,000						
TOTAL FUNDS	**7,165,200**						
II. EXPENDITURES BY CATEGORY							
Personnel Costs	872,700						
Operating Expenses	85,300						
Debt Service	6,207,200						
TOTAL EXPENDITURES	**7,165,200**						
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	6,207,200						
Restricted Funds	958,000						
TOTAL CURRENT	**7,165,200**						

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94. The new organizational structure for FB 1992-94 reorganizes KDFA under the Financial Incentives Division.

HOUSE REPORT
The House concurs with the Branch Budget.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the House and Senate.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

CABINET/FUNCTION: ECONOMIC DEVELOPMENT CABINET

03/30/92

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**OFFICE OF THE SECRETARY**										
0	NORTHERN KENTUCKY CONVENTION CENTER	SS				1,000,000	1,000,000	1,000,000			
0	REGIONAL SPEC EVENTS CENTER, MURRAY *Reauthorization*	RF BF				2,000,000 8,000,000	2,000,000 8,000,000	2,000,000 8,000,000			
0	MARTIN'S FORK LAKE, HARLAN CO. *Reauthorization*										
0	STAR THEATER, RUSSELL SPRINGS *Reauthorization*										
0	KY RIVER PARK PROJECTS *Reauthorization*										
0	MEADE CO. RIP-RAP PROJECT *Reauthorization*										
0	LUDLOW BARGE REM. & WATERFRONT DEV. *Reauthorization*										
0	TUCKER-GUTHRIE AIRPORT, HARLAN CO. *Reauthorization*										

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: **ECONOMIC DEVELOPMENT CABINET**

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
1	ECONOMIC DEVELOPMENT BOND PROGRAM *Reauthorization*	BF							15,000,000	15,000,000	15,000,000
		SS				2,267,000	2,267,000	2,267,000			
2	LOUISVILLE WATERFRONT DEVELOPMENT	BF							12,500,000	12,500,000	12,500,000
		OT							12,500,000	12,500,000	12,500,000
3	LAKE REBA PROJECT REAPPROPRIATION										
AGENCY	**TOTAL**					**13,267,000**	**13,267,000**	**13,267,000**	**40,000,000**	**40,000,000**	**40,000,000**
Restricted Fund						2,000,000	2,000,000	2,000,000			
Bond Fund						8,000,000	8,000,000	8,000,000	27,500,000	27,500,000	27,500,000
Other									12,500,000	12,500,000	12,500,000
Surplus Bond Proceeds						3,267,000	3,267,000	3,267,000			
AGENCY	**TOTAL**					**13,267,000**	**13,267,000**	**13,267,000**	**40,000,000**	**40,000,000**	**40,000,000**

The House reappropriates $650,000 in FY 1991-92 for the Lake Reba Recreational Area Complex Improvement Project from the project 53 bond proceeds, which had been authorized by the 1990 General Assembly for the City of Richmond Parking Garage.

The Senate concurs.

The Conference concurs.

1992 GENERAL ASSEMBLY

FB 1992-94 STATE/EXECUTIVE BRANCH BUDGET MEMORANDUM

DE. DEPARTMENT OF EDUCATION

APRIL 1, 1992

1992 GENERAL ASSEMBLY
FB 1992-94 CONFERENCE ANALYSIS
GENERAL FUND SUMMARY

FUNCTION: Department of Education

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
Department of Education							
SEEK*	1,530,002,400	1,766,395,100	1,770,195,100	1,770,195,100	1,803,336,200	1,807,336,200	1,807,336,200
Management Support Services	145,632,300	159,508,100	159,508,100	159,508,100	195,235,600	195,235,600	195,235,600
Executive Policy & Management	50,475,000	12,430,400	12,430,400	12,430,400	22,475,200	22,475,200	22,475,200
Learning Support Services	110,866,200	118,456,100	112,356,800	118,356,800	136,890,100	131,390,600	134,390,600
Learning Results Services	18,694,800	13,434,700	19,534,700	18,714,700	18,928,600	21,428,600	20,608,600
Operating Budget Total	1,855,670,700	2,070,224,400	2,074,025,100	2,079,205,100	2,176,865,700	2,177,866,200	2,180,046,200
Capital Budget					300,000	300,000	300,000
Grand Total	**1,855,670,700**	**2,070,224,400**	**2,074,025,100**	**2,079,205,100**	**2,177,165,700**	**2,178,166,200**	**2,180,346,200**

*Includes General Fund//Lottery Proceeds

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

333540.xls
3/30/92
7:18 PM

Governmental Branch: Executive
Cabinet/Function: Department of Education
Agency:
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund*	1,855,670,700	2,070,224,400	2,074,025,100	2,079,205,100	2,176,865,700	2,177,866,200	2,180,046,200
Restricted Funds	1,858,700	3,065,700	3,065,700	3,065,700	2,929,600	2,929,600	2,929,600
Federal Funds	268,544,200	273,040,300	273,040,300	273,040,300	278,753,600	278,753,600	278,753,600
General Fund Continuing	28,660,500						
TOTAL FUNDS	**2,154,734,100**	**2,346,330,400**	**2,350,131,100**	**2,355,311,100**	**2,458,548,900**	**2,459,549,400**	**2,461,729,400**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	38,219,700	31,864,100	38,093,000	37,252,800	37,917,500	40,552,800	39,712,600
Operating Expenses	11,175,600	10,376,900	10,401,800	10,422,000	10,770,500	10,795,900	10,816,100
Grants, Loans, Benefits	2,092,420,000	2,302,999,700	2,300,546,600	2,306,546,600	2,408,731,300	2,407,071,100	2,410,071,100
Debt Service	315,000	852,900	852,900	852,900	865,900	865,900	865,900
Capital Outlay	12,603,800	236,800	236,800	236,800	263,700	263,700	263,700
TOTAL EXPENDITURES	**2,154,734,100**	**2,346,330,400**	**2,350,131,100**	**2,355,311,100**	**2,458,548,900**	**2,459,549,400**	**2,461,729,400**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	1,855,670,700	1,992,444,900	2,001,364,900	2,001,364,900	2,083,857,900	2,088,817,900	2,088,817,900
Restricted Funds	1,858,700	3,065,700	3,065,700	3,065,700	2,929,600	2,929,600	2,929,600
Federal Funds	268,544,200	273,040,300	273,040,300	273,040,300	278,753,600	278,753,600	278,753,600
General Fund Continuing	28,660,500						
TOTAL CURRENT	**2,154,734,100**	**2,268,550,900**	**2,277,470,900**	**2,277,470,900**	**2,365,541,100**	**2,370,501,100**	**2,370,501,100**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		77,779,500	72,660,200	77,840,200	93,007,800	89,048,300	91,228,300

*Includes General Fund//Lottery Proceeds.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

333540SO.XLS
3/31/92
12:12 AM

Governmental Branch: Executive
Cabinet/Function: Department of Education
Agency: Support Education Excellence in Kentucky
Unit: SEEK

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund//Lottery Proceeds	1,530,002,400	1,766,395,100	1,770,195,100	1,770,195,100	1,803,336,200	1,807,336,200	1,807,336,200
General Fund Continuing	7,813,200						
TOTAL FUNDS	**1,537,815,600**	**1,766,395,100**	**1,770,195,100**	**1,770,195,100**	**1,803,336,200**	**1,807,336,200**	**1,807,336,200**
II. EXPENDITURES BY CATEGORY							
Grants, Loans, Benefits	1,537,815,600	1,766,395,100	1,770,195,100	1,770,195,100	1,803,336,200	1,807,336,200	1,807,336,200
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	1,530,002,400	1,710,236,500	1,714,036,500	1,714,036,500	1,749,663,300	1,753,663,300	1,753,663,300
General Fund Continuing	7,813,200						
TOTAL CURRENT	**1,537,815,600**	**1,710,236,500**	**1,714,036,500**	**1,714,036,500**	**1,749,663,300**	**1,753,663,300**	**1,753,663,300**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		56,158,600	56,158,600	56,158,600	53,672,900	53,672,900	53,672,900

V. ADDITIONAL BUDGET ITEMS

Item#	Fund Source		FY 1992-93			FY 1993-94	
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
1/ Provide full funding of Tier I	G	56,158,600	56,158,600	56,158,600	53,172,900	53,172,900	53,172,900
2/E Increase funds alloted to the state vocational technical schools.	G				500,000	500,000	500,000
RECAP BY FUND SOURCE	G	**56,158,600**	**56,158,600**	**56,158,600**	**53,672,900**	**53,672,900**	**53,672,900**
GRAND TOTAL ADDITIONAL BUDGET		**56,158,600**	**56,158,600**	**56,158,600**	**53,672,900**	**53,672,900**	**53,672,900**

BRANCH BUDGET

The branch budget maintains or expands all components of the Support Education Excellence in Kentucky (SEEK) program and SEEK-related programs with one exception. Funding for the vocational supplement that provides additional funds for those students enrolled in vocational education program in the local school is eliminated. The base funding level is set at the current level of $2,420 for FY 1992-93 and increased by 3 percent to $2,495 in FY 1993-94. Appropriations for the SEEK program are based on a projected average daily attendance of 572,480. Sufficient funds are included to fully fund the Tier I component of the SEEK program with the equalization level being $280,000. Funding for the Facilities Support Program is maintained at the current level. This program is also equalized at $280,000 in the branch budget. Funds for pupil transportation and exceptional children are maintained at the current level. The branch budget proposes a .7 deduct factor to be applied against the base pupil guarantee in those instances where a student spends a portion of the school day at a state-operated vocational center. This would be applied to the portion of the school day the students attends the vocational center. The branch budget also proposes that a per pupil holdharmless provision be included in the SEEK calculation for each year of the biennium. The branch budget includes funding for the Kentucky Teachers' Retirement System (KTRS) employer match on behalf of local school district personnel. These funds will be remitted to KTRS on behalf of the local school districts.

HOUSE REPORT

The House concurs with the Branch Budget recommendations and adds the following: Included in the appropriation for SEEK and SEEK related program is $92,860,000 in FY 1992-93 and $104,100,000 in FY 1993-94 in General Fund-Lottery proceeds.

SENATE REPORT

The Senate concurs with the House recommendations with one exception. The .7 deduct factor to be applied against the base per pupil guarantee in those instances where a student spends a portion of the school day at a state-operated vocational center is changed to .3.

CONFERENCE REPORT

The Conference concurs with the Senate.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

333540AO.XLS
3/30/92
7:07 PM

Governmental Branch: Executive
Cabinet/Function: Department of Education
Agency: Executive Policy and Management
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	50,475,000	12,430,400	12,430,400	12,430,400	22,475,200	22,475,200	22,475,200
Restricted Funds	284,900	293,800	293,800	293,800	307,000	307,000	307,000
Federal Funds	55,700	32,700	32,700	32,700	14,300	14,300	14,300
General Fund Continuing	14,958,100						
TOTAL FUNDS	**65,773,700**	**12,756,900**	**12,756,900**	**12,756,900**	**22,796,500**	**22,796,500**	**22,796,500**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	3,529,600	2,080,100	2,080,100	2,080,100	2,142,500	2,142,500	2,142,500
Operating Expenses	728,200	596,800	596,800	596,800	571,600	571,600	571,600
Grants, Loans, Benefits	49,515,400	10,080,000	10,080,000	10,080,000	20,082,400	20,082,400	20,082,400
Capital Outlay	12,000,500						
TOTAL EXPENDITURES	**65,773,700**	**12,756,900**	**12,756,900**	**12,756,900**	**22,796,500**	**22,796,500**	**22,796,500**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	50,475,000	12,378,900	12,378,900	12,378,900	22,475,200	22,475,200	22,475,200
Restricted Funds	284,900	293,800	293,800	293,800	307,000	307,000	307,000
Federal Funds	55,700	32,700	32,700	32,700	14,300	14,300	14,300
General Fund Continuing	14,958,100						
TOTAL CURRENT	**65,773,700**	**12,705,400**	**12,705,400**	**12,705,400**	**22,796,500**	**22,796,500**	**22,796,500**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		51,500	51,500	51,500			

V. ADDITIONAL BUDGET ITEMS

Item#	Fund Source		FY 1992-93			FY 1993-94	
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
1/E Biennial publication of Kentucky School Laws as mandated by KRS 156.240	G	51,500	51,500	51,500			
RECAP BY FUND SOURCE	G	**51,500**	**51,500**	**51,500**			
GRAND TOTAL ADDITIONAL BUDGET		**51,500**	**51,500**	**51,500**			

BRANCH BUDGET

The branch budget reduces administrative operations by 5 per cent in FY 1992-93. A 2 per cent increase in administrative operations is provided in FY 1993-94. Additional General Fund totalling $51,500 in FY 1992-93 is provided for the biennial publication of Kentucky School Laws.

HOUSE REPORT

The House concurs with the Branch Budget recommendations.

SENATE REPORT

The Senate concurs with the House recommendations.

CONFERENCE REPORT

The Conference concurs with the Senate and adds the following: The Department of Education may fill through memoranda of agreement not more than fifty percent (50%) of its existing authorized positions below the Division Director level with individuals employed as school administrators and educators in Kentucky. Funds in the Education Technology Escrow Account are to be spent in the following priority order: (1) Funds for the installation of the administrative network that connects each of the 176 local school district administrative offices to appropriate state agencies in FY 1992-93(2) administratively for the following purposes: (a) up to $40,000 annually for expenses of the Council on Education Technology and B(b) up to $1,000,000 annually for consultants to define and implement the Kentucky Education Technology System (KETS); (3) up to $2,000,000 annually for one (1) state-of-the art technology demonstration site to be located in a local school district, and (4) up to $70,000 annually may be expended for additional staff for the School Facilities Construction Commission. In addition, no Department of Education or other state agency administrative costs may be obtained from this fund, funds shall be distributed to local school districts for installation of the KETS system through the cooperative program established by House Bill 698, and a monthly report of all expenditures from this fund shall be provided the Office of Educational Accountability on a monthly basis.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

333540CO.XLS
3/30/92
11:48 AM

Governmental Branch: Executive
Cabinet/Function: Department of Education

Agency: Management Support Services
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	145,632,300	159,508,100	159,508,100	159,508,100	195,235,600	195,235,600	195,235,600
Restricted Funds	490,900	1,826,000	1,826,000	1,826,000	1,768,100	1,768,100	1,768,100
Federal Funds	104,078,600	108,661,500	108,661,500	108,661,500	114,164,100	114,164,100	114,164,100
TOTAL FUNDS	**250,201,800**	**269,995,600**	**269,995,600**	**269,995,600**	**311,167,800**	**311,167,800**	**311,167,800**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	8,709,900	7,946,100	7,946,100	7,946,100	8,184,500	8,184,500	8,184,500
Operating Expenses	4,447,600	4,198,600	4,198,600	4,198,600	4,539,600	4,539,600	4,539,600
Grants, Loans, Benefits	236,505,800	256,850,200	256,850,200	256,850,200	297,406,000	297,406,000	297,406,000
Debt Service	315,000	852,900	852,900	852,900	865,900	865,900	865,900
Capital Outlay	223,500	147,800	147,800	147,800	171,800	171,800	171,800
TOTAL EXPENDITURES	**250,201,800**	**269,995,600**	**269,995,600**	**269,995,600**	**311,167,800**	**311,167,800**	**311,167,800**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	145,632,300	159,167,000	159,167,000	159,167,000	188,111,000	188,111,000	188,111,000
Restricted Funds	490,900	1,826,000	1,826,000	1,826,000	1,768,100	1,768,100	1,768,100
Federal Funds	104,078,600	108,661,500	108,661,500	108,661,500	114,164,100	114,164,100	114,164,100
TOTAL CURRENT	**250,201,800**	**269,654,500**	**269,654,500**	**269,654,500**	**304,043,200**	**304,043,200**	**304,043,200**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		341,100	341,100	341,100	7,124,600	7,124,600	7,124,600

V. ADDITIONAL BUDGET ITEMS

Item#	Fund Source	FY 1992-93			FY 1993-94		
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
1/E Maintain free textbooks for students in grades K-8	G				6,583,500	6,583,500	6,583,500

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	Senate	Conference	FY 1993-94 House	Senate	Conference
2/ Provide educational services to students in five (5) additional CHR facilities	G	341,100	341,100	341,100	541,100	541,100	541,100
RECAP BY FUND SOURCE	**G**	**341,100**	**341,100**	**341,100**	**7,124,600**	**7,124,600**	**7,124,600**
GRAND TOTAL ADDITIONAL BUDGET		**341,100**	**341,100**	**341,100**	**7,124,600**	**7,124,600**	**7,124,600**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The branch budget reduces administrative operations by 7 percent in FY 1992-93. A 4 percent increase in administrative operations in provided in FY 1993-94. Funds for the adoption of textbooks for primary - 8 are delayed one year with additional General Fund being provided in FY 1993-94 to restore the adoption cycle for textbooks. The branch budget also includes additional General Fund for educational services at the new juvenile treatment centers operated by the Cabinet for Human Resources.

HOUSE REPORT

The House concurs with the Branch Budget recommendations and adds the following: Included in the above appropriation is $4,500,000 for textbooks for grades primary - 8. $1,500,000 of this amount is to be used for replacement textbooks. $3,000,000 is to be made available for local school districts and site based councils to purchase instructional materials for use in the primary program. Included in the above appropriation is $3,500,000 in FY 1992-93 and $3,700,000 in FY 1993-94 for the Out-of-District Program. These funds are to be used to support the Kentucky Educational Collaborative for State Agency Children pursuant to Senate Bill 260, or another Act enacted for the same purpose.

SENATE REPORT

The Senate concurs with the House recommendations and adds the following with regards to the textbook adoption cycle. Notwithstanding the provisions of KRS 156.400 to KRS 156.476, the adoption cycle for textbooks is delayed one year.

CONFERENCE REPORT

The Conference concurs with the Senate.

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Department of Education
Agency: Learning Support Services
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	110,866,200	118,456,100	112,356,800	118,356,800	136,890,100	131,390,600	134,390,600
Restricted Funds	680,200	645,500	645,500	645,500	592,200	592,200	592,200
Federal Funds	164,154,700	164,156,500	164,156,500	164,156,500	164,383,700	164,383,700	164,383,700
General Fund Continuing	4,569,200						
TOTAL FUNDS	**280,270,300**	**283,258,100**	**277,158,800**	**283,158,800**	**301,866,000**	**296,366,500**	**299,366,500**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	10,422,400	10,169,400	10,298,300	10,298,300	10,472,000	10,607,300	10,607,300
Operating Expenses	3,950,400	3,723,700	3,748,600	3,748,600	3,797,000	3,822,400	3,822,400
Grants, Loans, Benefits	265,731,500	269,365,000	263,111,900	269,111,900	287,597,000	281,936,800	284,936,800
Capital Outlay	166,000						
TOTAL EXPENDITURES	**280,270,300**	**283,258,100**	**277,158,800**	**283,158,800**	**301,866,000**	**296,366,500**	**299,366,500**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	110,866,200	97,502,800	98,502,800	98,502,800	105,934,800	106,894,800	106,894,800
Restricted Funds	680,200	645,500	645,500	645,500	592,200	592,200	592,200
Federal Funds	164,154,700	164,156,500	164,156,500	164,156,500	164,383,700	164,383,700	164,383,700
General Fund Continuing	4,569,200						
TOTAL CURRENT	**280,270,300**	**262,304,800**	**263,304,800**	**263,304,800**	**270,910,700**	**271,870,700**	**271,870,700**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		20,953,300	13,854,000	19,854,000	30,955,300	24,495,800	27,495,800

V. ADDITIONAL BUDGET ITEMS

		FY 1992-93			FY 1993-94		
Item# /Type Service Unit/Description	**Fund Source /Subtotal**	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
1/E/M Provide necessary operating expenses for regional service centers	G		957,700			1,099,500	

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
2/E/M Provide adequate funding for contracting legal services, consultants and liability insurance for the Professional Standards Board	G	40,000	40,000	40,000	40,000	40,000	40,000
3/E/M Increase allotment for staff development from $5 per pupil to $25 per pupil	G	6,456,300	6,456,300	6,456,300	6,456,300	6,456,300	6,456,300
4/E/M Provide sufficient funds to increase by 20,000 the number of students served through the extended school service program	G	8,057,000		6,957,700	7,599,000		4,099,500
5/E/M Increase the number of Family Resource and/or Youth Service Centers by 125 each year of the biennium	G	6,400,000	6,400,000	6,400,000	16,900,000	16,900,000	16,900,000
RECAP BY FUND SOURCE	G	**20,953,300**	**13,854,000**	**19,854,000**	**30,995,300**	**24,495,800**	**27,495,800**
GRAND TOTAL ADDITIONAL BUDGET		**20,953,300**	**13,854,000**	**19,854,000**	**30,995,300**	**24,495,800**	**27,495,800**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The branch budget recommends reduced funding for existing services and programs in several areas. Administrative/operational funds are reduced by 6 percent in FY 1992-93 and funding for the principal/superintendent assessment centers and extended school services is reduced. Four programs - experimental school psychologists, experimental school counselors, remediation and certified personnel evaluation - are eliminated. Additional funding is provided for pre-kindergarten, family resource/youth service centers, staff development, regional service centers and the education professional standards board.

HOUSE REPORT

The House concurs with the Branch Budget recommendations with the following exceptions: All funding for the regional service centers is deleted in each year of the biennium; funding for the Family Resource/Youth Service Centers is reduced by $3,000,000 in each year of the biennium. In addition, the House increases funding for the Extended School Services Program by $8,057,000 in FY 1992-93 and $7,599,000 in FY 1993-94. Included in the above General Fund appropriation is $39,000 in each year of the biennium to continue the statewide information service relative to alcohol/drug abuse among Kentucky's coal mining workforce. This project relating to drug abuse shall be conducted by the Kentucky Department of Education through Kentucky State University in accord with the Kentucky State University proposal dated January 2, 1992.

SENATE REPORT

The Senate concurs with the Branch Budget recommendations with the following exceptions: Funding for the Family Resource/Youth Service Centers is reduced by $3,000,000 in each year of the biennium. Included in the General Fund appropriation is $39,000 in each year of the biennium to continue the statewide information service relative to alcohol/drug abuse among Kentucky's coal mining workforce. This project relating to drug abuse shall be conducted by the Kentucky Department of Education through Kentucky State University in accord with the Kentucky State University proposal dated January 2, 1992. No grants to local school districts for the Extended School Services program shall be approved unless the application includes the following: a complete description of the program; the manner in which the program will operate; the projected number of students to be served and the criteria to be used in selecting students for participation; and the number of certified and non-certified staff necessary for program operations and the criteria to be used in selecting staff. Instructional supplies shall only be authorized if a need is demonstrated and the district does not have the supplies and materials available. In addition, if a local school district uses funds from the Extended School Services program to provide transportation services, students not enrolled in the Extended School Services program may use these services provided their use does not increase the cost of providing the transportation. Included in the General Fund appropriation is $400,000 in each year of the biennium for the minority teacher recruitment and training program.

CONFERENCE REPORT

The Conference concurs with the Senate with the following exceptions: No additional funds are provided for the regional service center in either year of the biennium. Funding for the Extended School Services program is increased by $6,957,700 in FY 1992-93 and $4,099,500 in FY 1993-94. Any funds appropriated for the Extended School Services program that are not expended in the first year of the biennium shall not lapse to the General Fund but shall continue into the second year for the purposes designated. Eligible school districts shall receive funds for developmentally appropriate preschool programs required by KRS 157.226 and 157.3175 based on guidelines and procedures established by the State Board for Elementary and Secondary Education. These districts must work with existing preschool programs to: (1) coordinate the recruitment of eligible children to avoid duplication of programs and services to children who are eligible for preschool programs through other sources of public funds and, (2) maximize the use of Head Start funds to serve as many four (4) year old children as possible, including certification by the Head Start director that the program is fully utilized.

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive
Cabinet/Function: Department of Education

Agency: Learning Results Services
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	18,694,800	13,434,700	19,534,700	18,714,700	18,928,600	21,428,600	20,608,600
Restricted Funds	402,700	300,400	300,400	300,400	262,300	262,300	262,300
Federal Funds	255,200	189,600	189,600	189,600	191,500	191,500	191,500
General Fund Continuing	1,320,000						
TOTAL FUNDS	**20,672,700**	**13,924,700**	**20,024,700**	**19,204,700**	**19,382,400**	**21,882,400**	**21,062,400**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	15,557,800	11,668,500	17,768,500	16,928,300	17,118,500	19,618,500	18,778,300
Operating Expenses	2,049,400	1,857,800	1,857,800	1,878,000	1,862,300	1,862,300	1,882,500
Grants, Loans, Benefits	2,851,700	309,400	309,400	309,400	309,700	309,700	309,700
Capital Outlay	213,800	89,000	89,000	89,000	91,900	91,900	91,900
TOTAL EXPENDITURES	**20,672,700**	**13,924,700**	**20,024,700**	**19,204,700**	**19,382,400**	**21,882,400**	**21,062,400**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	18,694,800	13,159,700	17,279,700	17,279,700	17,673,600	17,673,600	17,673,600
Restricted Funds	402,700	300,400	300,400	300,400	262,300	262,300	262,300
Federal Funds	255,200	189,600	189,600	189,600	191,500	191,500	191,500
General Fund Continuing	1,320,000						
TOTAL CURRENT	**20,672,700**	**13,649,700**	**17,769,700**	**17,769,700**	**18,127,400**	**18,127,400**	**18,127,400**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		275,000	2,255,000	1,435,000	1,255,000	3,755,000	2,935,000

V. ADDITIONAL BUDGET ITEMS

		FY 1992-93			FY 1993-94		
Item# /Type Service Unit/Description	**Fund Source /Subtotal**	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
1/ M Development, implementation and administration of the mandated performance based assessment in grades 4, 8 and 12	G		980,000	980,000	980,000	2,480,000	2,480,000

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93			FY 1993-94		
		House	Senate	Conference	House	Senate	Conference
2/ E Development, implementation and administration of the continuous assessment component in grades primary, 5, 6, 7, 9, 10 and 11	G		1,000,000			1,000,000	
3/M Provide one-year sabbatical to five (5) Kentucky Distinguished Educators	G	275,000	275,000	275,000	275,000	275,000	275,000
4/E Provide additional funds for the Kentucky School for the Deaf and the Kentucky School for the Blind in order that each school may remain open for two (2) weekends per month	G			180,000			180,000
RECAP BY FUND SOURCE	**G**	**275,000**	**2,255,000**	**1,435,000**	**1,255,000**	**3,755,000**	**2,935,000**
GRAND TOTAL ADDITIONAL BUDGET		**275,000**	**2,255,000**	**1,435,000**	**1,255,000**	**3,755,000**	**2,935,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The branch budget reduces administrative operations by 9 percent in FY 1992-93. Administrative operations are increased by 3 percent in FY 1993-94. The Commonwealth School Improvement Fund, with a FY 1991-92 appropriation of $2 million, is eliminated. The branch budget provides additional General Fund for the mandated performance based student assessment program and the optional continuous student assessment program. Funds are also provided to provide one-year sabbatical leaves for five Kentucky Distinguished Educators in each year of the biennium.

HOUSE REPORT

The House concurs with the Branch Budget with the following exceptions: All funding for the optional continuous student assessment program is deleted in each year of the biennium. All funding for the mandated performance based student assessment program in FY 1992-93 is deleted. $5,100,000 is appropriated in FY 1993-94 for the mandated performance based student assessment program. The House also adds the following: By September, 1992, the State Board for Elementary and Secondary Education shall adopt operational standards pursuant to KRS 158.685 which shall include ratios reflecting best practice for major classifications of classified employees.

SENATE REPORT

The Senate concurs with the Branch Budget recommendations and with the House recommendation that operational standards pursuant to KRS 158.685 be adopted by the State Board for Elementary and Secondary Education by September, 1992.

CONFERENCE REPORT

The Conference concurs with the Senate with the following exceptions: No funding is provided for the optional continuous assessment program. Additional General Fund in the amount of $180,000 in each year is provided in order that the Kentucky School for the Deaf and the Kentucky School for the Blind may remain open for two (2) weekends per month during the regular school term.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

CABINET/FUNCTION: **DEPT OF EDUCATION** 03/30/92

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY: DEPT OF EDUCATION										
0 LOCAL DISTRICT FACILITIES SURVEY	GF							300,000	300,000	300,000
1 MISCELLANEOUS MAINTENANCE POOL	II				150,000	150,000	150,000			
2 KSB-NEW DORM *Reauthorization*										
3 FFA AUDITORIUM *Reauthorization*	BF				250,000	250,000	250,000			
12 MISCELLANEOUS MAINTENANCE POOL	II							165,000	165,000	165,000
AGENCY	**TOTAL**				**400,000**	**400,000**	**400,000**	**465,000**	**465,000**	**465,000**
General Fund								300,000	300,000	300,000
Bond Fund					250,000	250,000	250,000			
Investment Income					150,000	150,000	150,000	165,000	165,000	165,000
AGENCY	**TOTAL**				**400,000**	**400,000**	**400,000**	**465,000**	**465,000**	**465,000**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: **DEPT OF EDUCATION**

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
CABINET/FUNCTION	**TOTAL**				**400,000**	**400,000**	**400,000**	**465,000**	**465,000**	**465,000**
General Fund								300,000	300,000	300,000
Bond Fund					250,000	250,000	250,000			
Investment Income					150,000	150,000	150,000	165,000	165,000	165,000
CABINET/FUNCTION	**TOTAL**				**400,000**	**400,000**	**400,000**	**465,000**	**465,000**	**465,000**

1992 GENERAL ASSEMBLY

FB 1992-94 STATE/EXECUTIVE BRANCH BUDGET MEMORANDUM

EH. EDUCATION/HUMANITIES

APRIL 1, 1992

1992 GENERAL ASSEMBLY
FB 1992-94 CONFERENCE ANALYSIS
GENERAL FUND SUMMARY

FUNCTION: Education and Humanities

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
Office of the Secretary	4,797,200	4,260,800	4,519,000	4,519,000	4,388,400	4,624,400	4,624,400
Environmental Council	160,100	136,100			140,200		
Ky. Educational Television	15,276,900	14,513,900	14,513,900	14,513,900	14,949,300	14,949,300	14,949,300
Ky. Historical Society	1,944,200	1,958,800	1,958,800	1,958,800	2,017,600	2,017,600	2,017,600
Libraries & Archives							
Direct Local Aid	4,301,400	4,821,900	4,821,900	4,821,900	4,990,000	4,990,000	4,990,000
General Operations	7,106,800	6,996,400	6,996,400	6,996,400	7,182,800	7,182,800	7,182,800
Total Libarary & Archives	11,408,200	11,818,300	11,818,300	11,818,300	12,172,800	12,172,800	12,172,800
Teachers' Retirement System	228,951,600	54,000,000	54,000,000	54,000,000	54,100,000	54,100,000	54,100,000
Oral History Commission	188,400	160,100	160,100	160,100	164,900	164,900	164,900
Heritage Council	1,230,100	721,600	730,600	730,600	713,000	753,000	753,000
Commission on Deaf & Hearing Impaired	255,800	255,800	255,800	255,800	263,500	263,500	263,500
School Facilities Construction Commission	44,828,300	57,834,100	57,834,100	52,834,100	57,912,000	57,912,000	55,912,000
Kentucky Center for the Arts	3,459,300	3,388,100	3,388,100	3,388,100	3,395,200	3,395,200	3,395,200
Operating Budget Total	312,500,100	149,047,600	149,178,700	144,178,700	150,216,900	150,352,700	148,352,700
Capital Budget	50,000						
Grand Total	**312,550,100**	**149,047,600**	**149,178,700**	**144,178,700**	**150,216,900**	**150,352,700**	**148,352,700**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Education and Humanities
Agency: **Cabinet Summary**
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	312,500,100	149,047,600	149,178,700	144,178,700	150,216,900	150,352,700	148,352,700
Restricted Funds	6,243,200	5,477,600	5,528,800	5,528,800	5,724,900	5,771,300	5,771,300
Federal Funds	4,685,000	4,117,300	4,117,300	4,117,300	4,138,400	4,138,400	4,138,400
General Fund Continuing	5,829,100						
TOTAL FUNDS	**329,257,400**	**158,642,500**	**158,824,800**	**153,824,800**	**160,080,200**	**160,262,400**	**158,262,400**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	18,226,600	18,363,400	18,412,000	18,412,000	19,017,300	19,063,500	19,063,500
Operating Expenses	12,392,000	11,053,300	11,178,000	11,178,000	11,464,400	11,560,400	11,560,400
Grants, Loans, Benefits	240,257,200	64,292,700	64,301,700	64,301,700	64,638,700	64,678,700	64,678,700
Debt Service	57,270,500	64,683,300	64,683,300	59,683,300	64,715,900	64,715,900	62,715,900
Capital Outlay	1,111,100	249,800	249,800	249,800	243,900	243,900	243,900
TOTAL EXPENDITURES	**329,257,400**	**158,642,500**	**158,824,800**	**153,824,800**	**160,080,200**	**160,262,400**	**158,262,400**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	312,500,100	140,163,400	140,158,400	140,158,400	138,389,300	138,384,900	138,384,900
Restricted Funds	6,243,200	5,404,600	5,455,800	5,455,800	5,700,400	5,746,800	5,746,800
Federal Funds	4,685,000	4,117,300	4,117,300	4,117,300	4,138,400	4,138,400	4,138,400
General Fund Continuing	5,829,100						
TOTAL CURRENT	**329,257,400**	**149,685,300**	**149,731,500**	**149,731,500**	**148,228,100**	**148,270,100**	**148,270,100**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		8,884,200	9,020,300	4,020,300	11,827,600	11,967,800	9,967,800
Restricted Funds		73,000	73,000	73,000	24,500	24,500	24,500
TOTAL ADDITIONAL		**8,957,200**	**9,093,300**	**4,093,300**	**11,852,100**	**11,992,300**	**9,992,300**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Education & Humanities
Agency: Office of The Secretary
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	4,797,200	4,260,800	4,519,000	4,519,000	4,388,400	4,624,400	4,624,400
Restricted Funds	83,600	83,600	134,800	134,800	83,600	130,000	130,000
Federal Funds	752,000	674,500	674,500	674,500	657,000	657,000	657,000
TOTAL FUNDS	**5,632,800**	**5,018,900**	**5,328,300**	**5,328,300**	**5,129,000**	**5,411,400**	**5,411,400**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	772,000	795,300	920,900	920,900	834,200	959,700	959,700
Operating Expenses	285,300	219,300	403,100	403,100	212,400	369,300	369,300
Grants, Loans, Benefits	4,561,900	4,004,300	4,004,300	4,004,300	4,082,400	4,082,400	4,082,400
Capital Outlay	13,600						
TOTAL EXPENDITURES	**5,632,800**	**5,018,900**	**5,328,300**	**5,328,300**	**5,129,000**	**5,411,400**	**5,411,400**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	4,797,200	4,233,800	4,364,900	4,364,900	4,361,400	4,497,200	4,497,200
Restricted Funds	83,600	83,600	134,800	134,800	83,600	130,000	130,000
Federal Funds	752,000	674,500	674,500	674,500	657,000	657,000	657,000
TOTAL CURRENT	**5,632,800**	**4,991,900**	**5,174,200**	**5,174,200**	**5,102,000**	**5,284,200**	**5,284,200**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		27,000	154,100	154,100	27,000	127,200	127,200

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/E Provide additional operating funds for the Kentucky Arts Council	G	27,000	27,000	27,000	27,000	27,000	27,000

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
2/E Provide additional personnel and operating funds for the Crafts Marketing program	G		127,100	127,100		100,200	100,200
RECAP BY FUND SOURCE	G	**27,000**	**154,100**	**154,100**	**27,000**	**127,200**	**127,200**
GRAND TOTAL ADDITIONAL BUDGET		**27,000**	**154,100**	**154,100**	**27,000**	**127,200**	**127,200**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget reduces the administrative operations by 22 percent in FY 1992-93. Administrative operations are increased by 3 percent in FY 1993-94. Four programs are moved to the Office of the Secretary. The Kentucky Arts Council and the Crafts Marketing programs are moved from the Cabinet for Economic Development. The Governor's Scholar's program and the Governor's Institute for the Arts are moved from the Executive Office of the Governor. In addition, the Branch Budget moves the Kentucky Center for the Arts to the Education and Humanities Cabinet.

HOUSE REPORT

The House concurs with the Branch Budget recommendations with the following exception: the Crafts Marketing program is to remain in the Cabinet for Economic Development. The House also provides additional General Fund totalling $27,000 in each year of the biennium to provide for additional operations cost in the Kentucky Arts Council.

SENATE REPORT

The Senate concurs with the Branch Budget recommendations and adds $27,000 in each year of the biennium to provide additional operations cost for the Kentucky Arts Council. In addition, $127,100 in FY 1992-93 and $100,200 in FY 1993-94 is added for additional operations costs for the Crafts Marketing program.

CONFERENCE REPORT

The Conference concurs with the Senate and adds the following: General Fund appropriated for the Crafts Marketing program is to be used strictly for the marketing of Kentucky crafts.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

333530sd.xls

Governmental Branch: Executive
Cabinet/Function: Education & Humanities
Agency: Environmental Council
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	160,100	136,100			140,200		
II. EXPENDITURES BY CATEGORY							
Personnel Costs	131,000	77,000			79,300		
Operating Expenses	29,100	59,100			60,900		
TOTAL EXPENDITURES	**160,100**	**136,100**			**140,200**		
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	160,100	136,100			140,200		

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends a significant reduction in the appropriation for the Environmental Council. Funding is reduced by 15 percent in FY 1992-93 then increased by 3 percent in FY 1993-94. Personnel costs are reduced 42 percent in FY 1992-93.

HOUSE REPORT
The House concurs with the Branch Budget recommendation.

SENATE REPORT
The Senate provides no funding for the Environmental Council for FB 1992-94.

CONFERENCE REPORT
The Conference concurs with the Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/30/92
7:22 PM

Governmental Branch: Executive
Cabinet/Function: Education & Humanities
Agency: Kentucky Educational Television
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	15,276,900	14,513,900	14,513,900	14,513,900	14,949,300	14,949,300	14,949,300
Restricted Funds	1,171,700	734,100	734,100	734,100	857,300	857,300	857,300
Federal Funds	77,000	37,500	37,500	37,500	37,500	37,500	37,500
TOTAL FUNDS	**16,525,600**	**15,285,500**	**15,285,500**	**15,285,500**	**15,844,100**	**15,844,100**	**15,844,100**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	6,808,300	6,850,200	6,850,200	6,850,200	7,153,000	7,153,000	7,153,000
Operating Expenses	6,295,000	5,518,100	5,518,100	5,518,100	5,819,300	5,819,300	5,819,300
Grants, Loans, Benefits	570,000	200,000	200,000	200,000	200,000	200,000	200,000
Debt Service	2,565,600	2,624,200	2,624,200	2,624,200	2,574,100	2,574,100	2,574,100
Capital Outlay	286,700	93,000	93,000	93,000	97,700	97,700	97,700
TOTAL EXPENDITURES	**16,525,600**	**15,285,500**	**15,285,500**	**15,285,500**	**15,844,100**	**15,844,100**	**15,844,100**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	15,276,900	14,513,900	14,513,900	14,513,900	14,949,300	14,949,300	14,949,300
Restricted Funds	1,171,700	734,100	734,100	734,100	857,300	857,300	857,300
Federal Funds	77,000	37,500	37,500	37,500	37,500	37,500	37,500
TOTAL CURRENT	**16,525,600**	**15,285,500**	**15,285,500**	**15,285,500**	**15,844,100**	**15,844,100**	**15,844,100**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The agency received a 5% reduction on its FY 1991-92 base in FY 1992-93; in FY 1993-94 a three percent increase was provided.

HOUSE REPORT
The House concurs with the Branch budget recommendation.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the House and Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

333550PO.XLS
3/30/92
7:21 PM

Governmental Branch: Executive
Cabinet/Function: Education & Humanities

Agency: **Kentucky Historical Society**
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	1,944,200	1,958,800	1,958,800	1,958,800	2,017,600	2,017,600	2,017,600
Restricted Funds	331,200	317,700	317,700	317,700	288,000	288,000	288,000
Federal Funds	25,900						
TOTAL FUNDS	**2,301,300**	**2,276,500**	**2,276,500**	**2,276,500**	**2,305,600**	**2,305,600**	**2,305,600**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	1,664,000	1,500,100	1,500,100	1,500,100	1,552,600	1,552,600	1,552,600
Operating Expenses	585,800	553,800	553,800	553,800	533,400	533,400	533,400
Debt Service		209,000	209,000	209,000	209,000	209,000	209,000
Capital Outlay	51,500	13,600	13,600	13,600	10,600	10,600	10,600
TOTAL EXPENDITURES	**2,301,300**	**2,276,500**	**2,276,500**	**2,276,500**	**2,305,600**	**2,305,600**	**2,305,600**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	1,944,200	1,749,800	1,749,800	1,749,800	1,808,600	1,808,600	1,808,600
Restricted Funds	331,200	277,700	277,700	277,700	288,000	288,000	288,000
Federal Funds	25,900						
TOTAL CURRENT	**2,301,300**	**2,027,500**	**2,027,500**	**2,027,500**	**2,096,600**	**2,096,600**	**2,096,600**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		209,000	209,000	209,000	209,000	209,000	209,000
Restricted Funds		40,000	40,000	40,000			
TOTAL ADDITIONAL		**249,000**	**249,000**	**249,000**	**209,000**	**209,000**	**209,000**

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/N Request for new debt service to construct a Museum and Artifact Storage building; $2.0 General Fund authorization is requested in FY 1992-93 and $14.6 in FY 1993-94.	G	209,000	209,000	209,000	209,000	209,000	209,000
2/E Provide for printing of the book- Black Historical Families in Kentucky.	R	40,000	40,000	40,000			
RECAP BY FUND SOURCE	**G**	**209,000**	**209,000**	**209,000**	**209,000**	**209,000**	**209,000**
	R	**40,000**	**40,000**	**40,000**			
GRAND TOTAL ADDITIONAL BUDGET		**249,000**	**249,000**	**249,000**	**209,000**	**209,000**	**209,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The agency received a 10% reduction on its FY 1991-92 base in FY 1992-93; in FY 1993-94 a three percent increase was provided. Also debt service in the amount of $209,000 was provided in each year of the biennium for site acquisition and planning for a Kentucky Historical Society Preservation Center.

HOUSE REPORT
The House concurred with the Branch recommendation.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the House and Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/30/92
7:37 PM

Governmental Branch: Executive
Cabinet/Function: Education and Humanities

Agency: Libraries and Archives
Unit: Summary

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	11,408,200	11,818,300	11,818,300	11,818,300	12,172,800	12,172,800	12,172,800
Restricted Funds	1,600,100	1,230,800	1,230,800	1,230,800	1,255,900	1,255,900	1,255,900
Federal Funds	3,055,100	2,565,600	2,565,600	2,565,600	2,582,000	2,582,000	2,582,000
TOTAL FUNDS	**16,063,400**	**15,614,700**	**15,614,700**	**15,614,700**	**16,010,700**	**16,010,700**	**16,010,700**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	5,225,100	5,416,200	5,416,200	5,416,200	5,556,900	5,556,900	5,556,900
Operating Expenses	3,776,900	3,247,000	3,247,000	3,247,000	3,345,000	3,345,000	3,345,000
Grants, Loans, Benefits	4,931,600	5,433,300	5,433,300	5,433,300	5,598,800	5,598,800	5,598,800
Debt Service	1,409,500	1,405,000	1,405,000	1,405,000	1,405,300	1,405,300	1,405,300
Capital Outlay	720,300	113,200	113,200	113,200	104,700	104,700	104,700
TOTAL EXPENDITURES	**16,063,400**	**15,614,700**	**15,614,700**	**15,614,700**	**16,010,700**	**16,010,700**	**16,010,700**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	11,408,200	11,270,100	11,270,100	11,270,100	11,456,500	11,456,500	11,456,500
Restricted Funds	1,600,100	1,197,800	1,197,800	1,197,800	1,231,400	1,231,400	1,231,400
Federal Funds	3,055,100	2,565,600	2,565,600	2,565,600	2,582,000	2,582,000	2,582,000
TOTAL CURRENT	**16,063,400**	**15,033,500**	**15,033,500**	**15,033,500**	**15,269,900**	**15,269,900**	**15,269,900**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		548,200	548,200	548,200	716,300	716,300	716,300
Restricted Funds		33,000	33,000	33,000	24,500	24,500	24,500
TOTAL ADDITIONAL		**581,200**	**581,200**	**581,200**	**740,800**	**740,800**	**740,800**

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/30/92
6:56 PM

Governmental Branch: Executive
Cabinet/Function: Education & Humanities
Agency: Libraries & Archives
Unit: General Operations

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	7,106,800	6,996,400	6,996,400	6,996,400	7,182,800	7,182,800	7,182,800
Restricted Funds	1,595,100	1,195,800	1,195,800	1,195,800	1,229,400	1,229,400	1,229,400
Federal Funds	2,005,900	1,518,700	1,518,700	1,518,700	1,535,100	1,535,100	1,535,100
TOTAL FUNDS	**10,707,800**	**9,710,900**	**9,710,900**	**9,710,900**	**9,947,300**	**9,947,300**	**9,947,300**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	5,225,100	5,416,200	5,416,200	5,416,200	5,556,900	5,556,900	5,556,900
Operating Expenses	3,378,500	2,850,800	2,850,800	2,850,800	2,946,200	2,946,200	2,946,200
Grants, Loans, Benefits	38,900	38,900	38,900	38,900	38,900	38,900	38,900
Debt Service	1,409,500	1,405,000	1,405,000	1,405,000	1,405,300	1,405,300	1,405,300
Capital Outlay	655,800						
TOTAL EXPENDITURES	**10,707,800**	**9,710,900**	**9,710,900**	**9,710,900**	**9,947,300**	**9,947,300**	**9,947,300**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	7,106,800	6,996,400	6,996,400	6,996,400	7,182,800	7,182,800	7,182,800
Restricted Funds	1,595,100	1,192,800	1,192,800	1,192,800	1,226,400	1,226,400	1,226,400
Federal Funds	2,005,900	1,518,700	1,518,700	1,518,700	1,535,100	1,535,100	1,535,100
TOTAL CURRENT	**10,707,800**	**9,707,900**	**9,707,900**	**9,707,900**	**9,944,300**	**9,944,300**	**9,944,300**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Restricted Funds		3,000	3,000	3,000	3,000	3,000	3,000

V. ADDITIONAL BUDGET ITEMS

Item#	Fund Source	FY 1992-93			FY 1993-94		
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
I/E Operating funds to improve services in field services.	R	3,000	3,000	3,000	3,000	3,000	3,000
RECAP BY FUND SOURCE	**R**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**
GRAND TOTAL ADDITIONAL BUDGET		**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**

BUDGET MODIFICATION RECORD

BRANCH BUDGET
The budget unit received a straight line recommendation of its FY 1991-92 base in FY 1992-93; in FY 1993-94 a three precent increase was provided.

HOUSE REPORT
The House concurs with the Branch Budget recommendation.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the House and Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

333555QJ.XLS
3/30/92
7:13 PM

Governmental Branch: Executive
Cabinet/Function: Education & Humanities
Agency: Libraries & Archives
Unit: Direct Local Aid

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	4,301,400	4,821,900	4,821,900	4,821,900	4,990,000	4,990,000	4,990,000
Restricted Funds	5,000	35,000	35,000	35,000	26,500	26,500	26,500
Federal Funds	1,049,200	1,046,900	1,046,900	1,046,900	1,046,900	1,046,900	1,046,900
TOTAL FUNDS	**5,355,600**	**5,903,800**	**5,903,800**	**5,903,800**	**6,063,400**	**6,063,400**	**6,063,400**
II. EXPENDITURES BY CATEGORY							
Personnel Costs							
Operating Expenses	398,400	396,200	396,200	396,200	398,800	398,800	398,800
Grants, Loans, Benefits	4,892,700	5,394,400	5,394,400	5,394,400	5,559,900	5,559,900	5,559,900
Capital Outlay	64,500	113,200	113,200	113,200	104,700	104,700	104,700
TOTAL EXPENDITURES	**5,355,600**	**5,903,800**	**5,903,800**	**5,903,800**	**6,063,400**	**6,063,400**	**6,063,400**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	4,301,400	4,273,700	4,273,700	4,273,700	4,273,700	4,273,700	4,273,700
Restricted Funds	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Federal Funds	1,049,200	1,046,900	1,046,900	1,046,900	1,046,900	1,046,900	1,046,900
TOTAL CURRENT	**5,355,600**	**5,325,600**	**5,325,600**	**5,325,600**	**5,325,600**	**5,325,600**	**5,325,600**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		548,200	548,200	548,200	716,300	716,300	716,300
Restricted Funds		30,000	30,000	30,000	21,500	21,500	21,500
TOTAL ADDITIONAL		**578,200**	**578,200**	**578,200**	**737,800**	**737,800**	**737,800**

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/E State aid to fully fund HB 40 enacted in the 1986 General Assembly(KRS 171.20); the amount is $.53 per capita plus base funding. State aid is currently funded at $.40 per capita.	G	548,200	548,200	548,200	716,300	716,300	716,300

Item#	Fund Source	FY 1992-93			FY 1993-94		
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
2/E Replace bookmobiles.	R	30,000	30,000	30,000	21,500	21,500	21,500
RECAP BY FUND SOURCE	**G**	**548,200**	**548,200**	**548,200**	**716,300**	**716,300**	**716,300**
	R	**30,000**	**30,000**	**30,000**	**21,500**	**21,500**	**21,500**
GRAND TOTAL ADDITIONAL BUDGET		**578,200**	**578,200**	**578,200**	**737,800**	**737,800**	**737,800**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The budget unit received an addtional $548,200 in FY 1992-93 and $716,300 in FY 1993-94 for State-aid to Public Libraries in or to bring the per capita appropriation to 46 cents in FY 1992-93 and 53 cents in FY 1993-94 , the statutory prescribed amount. The additional funds represent the FY 1992 budget reduction the agency recieved and were restored for the purpose of making State Grants.

HOUSE REPORT

The House concurs with the Branch Budget recommendation.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

333560RB.XLS
3/29/92
8:24 PM

Governmental Branch: Executive
Cabinet/Function: Education & Humanities Cabinet
Agency: Kentucky Teachers' Retirement System
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	228,951,600	54,000,000	54,000,000	54,000,000	54,100,000	54,100,000	54,100,000
Restricted Funds	2,985,400	3,055,700	3,055,700	3,055,700	3,161,900	3,161,900	3,161,900
TOTAL FUNDS	**231,937,000**	**57,055,700**	**57,055,700**	**57,055,700**	**57,261,900**	**57,261,900**	**57,261,900**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	2,406,400	2,476,700	2,476,700	2,476,700	2,565,500	2,565,500	2,565,500
Operating Expenses	549,000	549,000	549,000	549,000	565,500	565,500	565,500
Grants, Loans, Benefits	228,951,600	54,000,000	54,000,000	54,000,000	54,100,000	54,100,000	54,100,000
Capital Outlay	30,000	30,000	30,000	30,000	30,900	30,900	30,900
TOTAL EXPENDITURES	**231,937,000**	**57,055,700**	**57,055,700**	**57,055,700**	**57,261,900**	**57,261,900**	**57,261,900**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	228,951,600	50,900,000	50,900,000	50,900,000	48,300,000	48,300,000	48,300,000
Restricted Funds	2,985,400	3,055,700	3,055,700	3,055,700	3,161,900	3,161,900	3,161,900
TOTAL CURRENT	**231,937,000**	**53,955,700**	**53,955,700**	**53,955,700**	**51,461,900**	**51,461,900**	**51,461,900**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		3,100,000	3,100,000	3,100,000	5,800,000	5,800,000	5,800,000

V. ADDITIONAL BUDGET ITEMS

Item#	Fund Source		FY 1992-93			FY 1993-94	
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
1/E Provide for an additional cost of living adjustment above the amount specified in KRS 161.620(2)	G	1,300,000	1,300,000	1,300,000	2,600,000	2,600,000	2,600,000
2/N Increase the minimum benefit for each year of service from $220 to $240	G	1,200,000	1,200,000	1,200,000	2,600,000	2,600,000	2,600,000

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
3/N Increase survivors' benefits by ten percent (10%)	G	600,000	600,000	600,000	600,000	600,000	600,000
RECAP BY FUND SOURCE	G	**3,100,000**	**3,100,000**	**3,100,000**	**5,800,000**	**5,800,000**	**5,800,000**
GRAND TOTAL ADDITIONAL BUDGET		**3,100,000**	**3,100,000**	**3,100,000**	**5,800,000**	**5,800,000**	**5,800,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The branch budget, under the provisions of KRS 161.550, provides funding for the employer match on behalf of local school district members as an adjunct to the Support Education Excellence in Kentucky (SEEK) program within the Department of Education (DOE). Doe will remit these funds to the Kentucky Teachers Retirement System (KTRS) on behalf of the local school districts. The branch budget includes General Fund totalling $1,300,000 in FY 1992-93 and $2,600,000 in FY 1993-94 to assist KTRS in providing a 3.5 percent cost of living increase for retirees in each year of the biennium. Funds are also included to increase the minimum value of a year's service and to increase the benefits paid to survivors. The branch budget recommends that KTRS direct $20 million each year of the biennium from state funds appropriated for employer matching purposes to the KTRS medical insurance funds to continue providing a comprehensive program of medical benefits to retired teachers.

HOUSE REPORT

The House concurs with the Branch Budget with the following exception: The value of the cost-of-living adjustment for the 1992-94 biennium shall be the amount specified in KRS 161.620(2) plus an amount to be determined by the Board of Trustees of the Kentucky Teachers' Retirement System.

SENATE REPORT

The Senate concurs with the Branch Budget recommendations with the following exception. The value of the cost of living adjustment shall be the amount specified in KRS 161.620(2) plus the amount available as a result of the additional appropriation of $1,300,000 in FY 1992-93 and $2,600,000 in FY 1993-94.

CONFERENCE REPORT

The Conference concurs with the Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/30/92
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Governmental Branch: Executive
Cabinet/Function: Education & Humanities

Agency: **KY Oral History Commission**
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	188,400	160,100	160,100	160,100	164,900	164,900	164,900
Restricted Funds	500	1,100	1,100	1,100			
TOTAL FUNDS	**188,900**	**161,200**	**161,200**	**161,200**	**164,900**	**164,900**	**164,900**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	71,100	76,800	76,800	76,800	79,100	79,100	79,100
Operating Expenses	16,800	16,800	16,800	16,800	16,800	16,800	16,800
Grants, Loans, Benefits	100,000	67,600	67,600	67,600	69,000	69,000	69,000
Capital Outlay	1,000						
TOTAL EXPENDITURES	**188,900**	**161,200**	**161,200**	**161,200**	**164,900**	**164,900**	**164,900**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	188,400	160,100	160,100	160,100	164,900	164,900	164,900
Restricted Funds	500	1,100	1,100	1,100			
TOTAL CURRENT	**188,900**	**161,200**	**161,200**	**161,200**	**164,900**	**164,900**	**164,900**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The agency received a 15% reduction on its FY 1991-92 base in FY 1992-93; in FY 1993-94 a three percent increase was provided.

HOUSE REPORT
The House concurs with the Branch budget recommendation.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the House and Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/30/92
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Governmental Branch: Executive
Cabinet/Function: Education and Humanities
Agency: **Kentucky Heritage Council**
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	1,230,100	721,600	730,600	730,600	713,000	753,000	753,000
Restricted Funds	70,700	54,500	54,500	54,500	78,200	78,200	78,200
Federal Funds	775,000	839,500	839,500	839,500	861,900	861,900	861,900
TOTAL FUNDS	**2,075,800**	**1,615,600**	**1,624,600**	**1,624,600**	**1,653,100**	**1,693,100**	**1,693,100**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	835,300	852,000	852,000	852,000	869,500	869,500	869,500
Operating Expenses	193,400	176,100	176,100	176,100	195,100	195,100	195,100
Grants, Loans, Benefits	1,047,100	587,500	596,500	596,500	588,500	628,500	628,500
TOTAL EXPENDITURES	**2,075,800**	**1,615,600**	**1,624,600**	**1,624,600**	**1,653,100**	**1,693,100**	**1,693,100**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	1,230,100	721,600	721,600	721,600	713,000	713,000	713,000
Restricted Funds	70,700	54,500	54,500	54,500	78,200	78,200	78,200
Federal Funds	775,000	839,500	839,500	839,500	861,900	861,900	861,900
TOTAL CURRENT	**2,075,800**	**1,615,600**	**1,615,600**	**1,615,600**	**1,653,100**	**1,653,100**	**1,653,100**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund			9,000	9,000		40,000	40,000

V. ADDITIONAL BUDGET ITEMS

			FY 1992-93			FY 1993-94	
Item# /Type Service Unit/Description	**Fund Source /Subtotal**	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
1/E Improve the existing Main Street program by providing matching grants to cities.	G		9,000	9,000		40,000	40,000
RECAP BY FUND SOURCE	G		**9,000**	**9,000**		**40,000**	**40,000**
GRAND TOTAL ADDITIONAL BUDGET			**9,000**	**9,000**		**40,000**	**40,000**

EH-17

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The agency received a 15% reduction on its FY 1991-92 base in FY 1992-93; in FY 1993-94 a three percent increase was provided.

HOUSE REPORT
The House concurred with the Branch recommendation with the following exception: $324,000 in FY 1992-93 and $364,000 in FY 1993-94 was reduced from the Downtown Revitalization Program.

SENATE REPORT
The Senate concurs with the House with the following exception: $9,000 in FY 1992-93 and $40,000 in FY 1993-94 is provided for the Main Street Program.

CONFERENCE REPORT
The Conference concurs with the House and Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Education & Humanities
Agency: Commission on Deaf & Hearing Impaired
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	255,800	255,800	255,800	255,800	263,500	263,500	263,500
Restricted Funds		100	100	100			
Federal Funds		200	200	200			
TOTAL FUNDS	**255,800**	**256,100**	**256,100**	**256,100**	**263,500**	**263,500**	**263,500**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	202,700	205,400	205,400	205,400	211,400	211,400	211,400
Operating Expenses	53,100	50,700	50,700	50,700	52,100	52,100	52,100
TOTAL EXPENDITURES	**255,800**	**256,100**	**256,100**	**256,100**	**263,500**	**263,500**	**263,500**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	255,800	255,800	255,800	255,800	263,500	263,500	263,500
Restricted Funds		100	100	100			
Federal Funds		200	200	200			
TOTAL CURRENT	**255,800**	**256,100**	**256,100**	**256,100**	**263,500**	**263,500**	**263,500**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The branch budget provides for a continuation of services by this agency.

HOUSE REPORT
The House concurs with the Branch Budget recommendation.

SENATE REPORT
The Senate concurs with the House recommendation.

CONFERENCE REPORT
The Conference concurs with the Senate.

BR_60

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive
Cabinet/Function: Education & Humanities
Agency: School Facilities Construction Commission
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	44,828,300	57,834,100	57,834,100	52,834,100	57,912,000	57,912,000	55,912,000
General Fund Continuing	5,829,100						
TOTAL FUNDS	**50,657,400**	**57,834,100**	**57,834,100**	**52,834,100**	**57,912,000**	**57,912,000**	**55,912,000**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	110,700	113,700	113,700	113,700	115,800	115,800	115,800
Operating Expenses	7,600	10,400	10,400	10,400	10,900	10,900	10,900
Debt Service	50,539,100	57,710,000	57,710,000	52,710,000	57,785,300	57,785,300	55,785,300
TOTAL EXPENDITURES	**50,657,400**	**57,834,100**	**57,834,100**	**52,834,100**	**57,912,000**	**57,912,000**	**55,912,000**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	44,828,300	52,834,100	52,834,100	52,834,100	52,836,700	52,836,700	52,836,700
General Fund Continuing	5,829,100						
TOTAL CURRENT	**50,657,400**	**52,834,100**	**52,834,100**	**52,834,100**	**52,836,700**	**52,836,700**	**52,836,700**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		5,000,000	5,000,000		5,075,300	5,075,300	3,075,300

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	**Fund Source /Subtotal**	FY 1992-93 **House**	FY 1992-93 **Senate**	FY 1992-93 **Conference**	FY 1993-94 **House**	FY 1993-94 **Senate**	FY 1993-94 **Conference**
1/E Debt service for approximately $30 million in new school facility construction/renovation	G	5,000,000	5,000,000		5,075,300	5,075,300	3,075,300
RECAP BY FUND SOURCE	**G**	**5,000,000**	**5,000,000**		**5,075,300**	**5,075,300**	**3,075,300**
GRAND TOTAL ADDITIONAL BUDGET		**5,000,000**	**5,000,000**		**5,075,300**	**5,075,300**	**3,075,300**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget provides sufficient funding for all outstanding debt service and provides new debt service in the amount of $3,075,300 in FY 1993-94 to support approximately $30,000,000 in new construction in local school district.

HOUSE REPORT
The House provides additional General Fund totalling $5,000,000 in FY 1992-93 and $5,075,300 in FY 1993-94. This will provide an additional $5,000,000 in debt service in each year of the biennium. The House adds the following language: Notwithstanding the provisions of KRS 157.622(5), local school districts may accumulate credit, subject to the availability of funds, for its unused state allocation for a period not to exceed six (6) years.

SENATE REPORT
The Senate concurs with the House recommendations.

CONFERENCE REPORT
The Conference concurs with the Branch Budget and adds the following: Notwithstanding the provisions of KRS 157.622(5), local school districts may accumulate credit, subject to the availability of funds, for its unused state allocation for a period not to exceed six (6) years. In addition, bonds for which the $3,075,300 will provide debt service shall not be issued until after January 1, 1993.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Education & Humaniaties
Agency: Kentucky Center for the Arts
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	3,459,300	3,388,100	3,388,100	3,388,100	3,395,200	3,395,200	3,395,200
II. EXPENDITURES BY CATEGORY							
Operating Expenses	600,000	653,000	653,000	653,000	653,000	653,000	653,000
Grants, Loans, Benefits	95,000						
Debt Service	2,756,300	2,735,100	2,735,100	2,735,100	2,742,200	2,742,200	2,742,200
Capital Outlay	8,000						
TOTAL EXPENDITURES	**3,459,300**	**3,388,100**	**3,388,100**	**3,388,100**	**3,395,200**	**3,395,200**	**3,395,200**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	3,459,300	3,388,100	3,388,100	3,388,100	3,395,200	3,395,200	3,395,200

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget reflects a reduction in operating expenses for FY 1992-93 from the revised FY 1991-92 appropriation and continues operating expenses at that level for FY 1993-94. Funds intended to help defray costs related to the Kentucky Center Presents series have been merged with operating expenses.

HOUSE REPORT

The House concurs with the Branch budget recommendation.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: **EDUCATION AND HUMANITIES CABINET**

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**SCHOOL FACILITIES CONSTRUCTION COMMISSION**										
1	SCHOOL FACILITIES CONSTRUCTION	BF				15,000,000	49,500,000	15,000,000	70,000,000		15,000,000
	AGENCY	**TOTAL**				**15,000,000**	**49,500,000**	**15,000,000**	**70,000,000**		**15,000,000**
	Bond Fund					15,000,000	49,500,000	15,000,000	70,000,000		15,000,000
	AGENCY	**TOTAL**				**15,000,000**	**49,500,000**	**15,000,000**	**70,000,000**		**15,000,000**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: **EDUCATION AND HUMANITIES CABINET**

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY: KENTUCKY EDUCATIONAL TELEVISION										
0 LINOTRONIC TYPESETTING EQUIPMENT	GF			50,000						
	RF	50,000	50,000							
AGENCY	**TOTAL**	**50,000**	**50,000**	**50,000**						
General Fund				50,000						
Restricted Fund		50,000	50,000							
AGENCY	**TOTAL**	**50,000**	**50,000**	**50,000**						

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: **EDUCATION AND HUMANITIES CABINET**

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**KENTUCKY HISTORICAL SOCIETY**										
1	KENTUCKY HISTORY CENTER *Reauthorization*										
AGENCY		**TOTAL**									
AGENCY		**TOTAL**									

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

CABINET/FUNCTION: **EDUCATION AND HUMANITIES CABINET** 03/30/92

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
CABINET/FUNCTION	**TOTAL**	**50,000**	**50,000**	**50,000**	**15,000,000**	**49,500,000**	**15,000,000**	**70,000,000**		**15,000,000**
General Fund				50,000						
Restricted Fund		50,000	50,000							
Bond Fund					15,000,000	49,500,000	15,000,000	70,000,000		15,000,000
CABINET/FUNCTION	**TOTAL**	**50,000**	**50,000**	**50,000**	**15,000,000**	**49,500,000**	**15,000,000**	**70,000,000**		**15,000,000**

1992 GENERAL ASSEMBLY

FB 1992-94 STATE/EXECUTIVE BRANCH BUDGET MEMORANDUM

FA. FINANCE/ADMINISTRATION

APRIL 1, 1992

1992 GENERAL ASSEMBLY
FB 1992-94 CONFERENCE ANALYSIS
GENERAL FUND SUMMARY

FUNCTION: Finance and Administration Cabinet

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
General Administration	8,564,900	12,937,400	12,937,400	12,937,400	17,048,200	17,048,200	17,048,200
Department for Administration	5,597,600	5,011,800	5,011,800	5,011,800	5,130,900	5,130,900	5,130,900
Dept. for Facilities Management	15,395,300	13,700,000	13,700,000	13,700,000	14,103,200	14,103,200	14,103,200
Dept. of Information Systems							
Operating Budget Total	29,557,800	31,649,200	31,649,200	31,649,200	36,282,300	36,282,300	36,282,300
Capital Budget		4,516,200	4,516,200	4,516,200	10,667,900	10,667,900	10,667,900
Grand Total	**29,557,800**	**36,165,400**	**36,165,400**	**36,165,400**	**46,950,200**	**46,950,200**	**46,950,200**

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive **Agency:** **Cabinet Summary**
Cabinet/Function: Finance and Administration **Unit:**

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	29,557,800	31,649,200	31,649,200	31,649,200	36,282,300	36,282,300	36,282,300
Restricted Funds	75,013,600	78,047,900	78,047,900	78,047,900	80,303,200	80,303,200	80,303,200
Federal Funds	162,000	136,500	136,500	136,500	149,800	149,800	149,800
TOTAL FUNDS	**104,733,400**	**109,833,600**	**109,833,600**	**109,833,600**	**116,735,300**	**116,735,300**	**116,735,300**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	44,080,100	45,069,200	45,069,200	45,069,200	46,564,800	46,564,800	46,564,800
Operating Expenses	37,060,800	39,840,000	39,840,000	39,840,000	40,851,600	40,851,600	40,851,600
Grants, Loans, Benefits	195,000	195,000	195,000	195,000	195,000	195,000	195,000
Debt Service	13,337,000	15,986,900	15,986,900	15,986,900	19,886,200	19,886,200	19,886,200
Capital Outlay	3,092,200	2,645,200	2,645,200	2,645,200	2,962,200	2,962,200	2,962,200
Construction	6,968,300	6,097,300	6,097,300	6,097,300	6,275,500	6,275,500	6,275,500
TOTAL EXPENDITURES	**104,733,400**	**109,833,600**	**109,833,600**	**109,833,600**	**116,735,300**	**116,735,300**	**116,735,300**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	29,557,800	31,574,200	31,574,200	31,574,200	33,710,000	33,710,000	33,710,000
Restricted Funds	75,013,600	75,565,000	75,565,000	75,565,000	77,553,300	77,553,300	77,553,300
Federal Funds	162,000	136,500	136,500	136,500	149,800	149,800	149,800
TOTAL CURRENT	**104,733,400**	**107,275,700**	**107,275,700**	**107,275,700**	**111,413,100**	**111,413,100**	**111,413,100**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		75,000	75,000	75,000	2,572,300	2,572,300	2,572,300
Restricted Funds		2,482,900	2,482,900	2,482,900	2,749,900	2,749,900	2,749,900
TOTAL ADDITIONAL		**2,557,900**	**2,557,900**	**2,557,900**	**5,322,200**	**5,322,200**	**5,322,200**

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Finance and Administration
Agency: General Administration
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	8,564,900	12,937,400	12,937,400	12,937,400	17,048,200	17,048,200	17,048,200
Restricted Funds	1,643,200	1,610,600	1,610,600	1,610,600	1,638,600	1,638,600	1,638,600
Federal Funds	162,000	136,500	136,500	136,500	149,800	149,800	149,800
TOTAL FUNDS	**10,370,100**	**14,684,500**	**14,684,500**	**14,684,500**	**18,836,600**	**18,836,600**	**18,836,600**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	4,350,200	3,960,900	3,960,900	3,960,900	4,104,600	4,104,600	4,104,600
Operating Expenses	1,464,500	1,495,800	1,495,800	1,495,800	1,517,700	1,517,700	1,517,700
Grants, Loans, Benefits	195,000	195,000	195,000	195,000	195,000	195,000	195,000
Debt Service	4,290,700	9,025,800	9,025,800	9,025,800	13,012,300	13,012,300	13,012,300
Capital Outlay	69,700	7,000	7,000	7,000	7,000	7,000	7,000
TOTAL EXPENDITURES	**10,370,100**	**14,684,500**	**14,684,500**	**14,684,500**	**18,836,600**	**18,836,600**	**18,836,600**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	8,564,900	12,862,400	12,862,400	12,862,400	14,475,900	14,475,900	14,475,900
Restricted Funds	1,643,200	1,610,600	1,610,600	1,610,600	1,638,600	1,638,600	1,638,600
Federal Funds	162,000	136,500	136,500	136,500	149,800	149,800	149,800
TOTAL CURRENT	**10,370,100**	**14,609,500**	**14,609,500**	**14,609,500**	**16,264,300**	**16,264,300**	**16,264,300**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		75,000	75,000	75,000	2,572,300	2,572,300	2,572,300

V. ADDITIONAL BUDGET ITEMS

Item#	Fund Source	FY 1992-93			FY 1993-94		
/Type Service Unit/Description	**/Subtotal**	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
1/E Ky Infrastructure Authority - Provide debt service for Waste-water Revolving Loan Program to provide 20% match for federal funds. Bonds requested are $685,600 in FY 93 and $9,356,500 in FY 94.	G	75,000	75,000	75,000	1,034,700	1,034,700	1,034,700

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
2/E Ky Infrastructure Authority - Provide debt service for Water Resources Grant and Loan Program. The total bonds requested are $20 million.	G				1,537,600	1,537,600	1,537,600
RECAP BY FUND SOURCE	G	75,000	75,000	75,000	2,572,300	2,572,300	2,572,300
GRAND TOTAL ADDITIONAL BUDGET		75,000	75,000	75,000	2,572,300	2,572,300	2,572,300

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94 and includes $565,800 in FY 1992-93 and $2,050,500 in FY 1993-94 for debt service for $20 million in bonds authorized in FB 1990-92 but unissued for the Solid Waste Revolving Fund (Kentucky Infrastructure Authority - Fund E) which is moved from the Natural Resources and Environmental Protection Cabinet. Debt service is provided for bonds authorized in FB 1990-92 of $50 million for the Kentucky Infrastructure Authority Revolving Loan Fund (Fund B)and $10,133,100 for the Waste Water Revolving Loan Fund (Fund A). The Branch Budget recommends in the capital budget authorization $20 million in bonds in FY 1993-94 for the Kentucky Infrastructure Revolving Loan Fund (Fund B), and additional bonds of $685,500 in FY 1992-93 and $9,356,500 in FY 1993-94 for the Waste Water Revolving Loan Fund (Fund A), and provides debt service from the General Fund of $75,000 in FY 1992-93 and $3,084,700 in FY 1993-94 for the new bond authorizations. The Branch Budget also recommends that the Secretary of the Finance and Administration Cabinet be authorized to transfer appropriations among and between the appropriation units of the Cabinet upon the written approval of the State Budget Director of the Governor's Office for Policy and Management.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the following exceptions. The Secretary of the Finance and Administration Cabinet shall not be permitted to transfer appropriations among and between the appropriation units in the Finance and Administration Cabinet. The bond authorization for the Kentucky Infrastructure Authority Infrastructure Revolving Loan Fund is reduced from $20 million to $15 million and the debt service required in the second year is reduced to $1,537,600 for Fund B. The Cabinet, through the Kentucky Infrastructure Authority, is directed to provide loan funds from the Water Resources Loan Fund to the City of Jackson for general water system improvements.

Notwithstanding enactment of any other legislation by the 1992 General Assembly, the Finance and Administration Cabinet is directed to allocate to coal impact counties, 10% of the coal severance and processing taxes set aside for local government economic assistance or development. The funds will be distributed to the coal impact counties on the basis of geographic area, ton miles of resource roads, and per capita income (inverse order), weighted on a basis of 30/100, 40/100, and 30/100 respectively.

SENATE REPORT

The Senate concurs with the House recommendation with the exception of removing the language directing the Finance and Administration Cabinet to allocate to coal impact counties 10% of the coal severance and processing taxes set aside for local government economic assistance .

CONFERENCE REPORT

The Conference concurs with the Senate recommendation and further directs the Cabinet to provide to each branch of government by October 15, 1993, detailed estimates for the General Fund and Road Fund of the revenue loss effected by tax expenditures.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

339775CO.XLS
3/26/92
11:30 AM

Governmental Branch: Executive **Agency: Administration**
Cabinet/Function: Finance and Administration **Unit:**

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	5,597,600	5,011,800	5,011,800	5,011,800	5,130,900	5,130,900	5,130,900
Restricted Funds	15,224,300	16,029,800	16,029,800	16,029,800	16,508,500	16,508,500	16,508,500
TOTAL FUNDS	**20,821,900**	**21,041,600**	**21,041,600**	**21,041,600**	**21,639,400**	**21,639,400**	**21,639,400**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	7,794,000	7,949,400	7,949,400	7,949,400	8,180,800	8,180,800	8,180,800
Operating Expenses	12,890,500	12,839,000	12,839,000	12,839,000	13,186,400	13,186,400	13,186,400
Capital Outlay	137,400	97,200	97,200	97,200	116,200	116,200	116,200
Construction Outlay		156,000	156,000	156,000	156,000	156,000	156,000
TOTAL EXPENDITURES	**20,821,900**	**21,041,600**	**21,041,600**	**21,041,600**	**21,639,400**	**21,639,400**	**21,639,400**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	5,597,600	5,011,800	5,011,800	5,011,800	5,130,900	5,130,900	5,130,900
Restricted Funds	15,224,300	15,873,800	15,873,800	15,873,800	16,352,500	16,352,500	16,352,500
TOTAL CURRENT	**20,821,900**	**20,885,600**	**20,885,600**	**20,885,600**	**21,483,400**	**21,483,400**	**21,483,400**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Restricted Funds		156,000	156,000	156,000	156,000	156,000	156,000

V. ADDITIONAL BUDGET ITEMS

Item#	Fund Source		FY 1992-93			FY 1993-94	
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
1/E Printing - Provide lease payment for high volume duplicators and production publisher requested in capital budget.	R	156,000	156,000	156,000	156,000	156,000	156,000
RECAP BY FUND SOURCE	**R**	**156,000**	**156,000**	**156,000**	**156,000**	**156,000**	**156,000**
GRAND TOTAL ADDITIONAL BUDGET		**156,000**	**156,000**	**156,000**	**156,000**	**156,000**	**156,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94 but provides additional Restricted Funds of $156,000 in each fiscal year of the biennium for the Division of Printing for lease purchase payments for a high volume duplicator and a production publisher requested in the capital budget. Restricted Funds in each fiscal year of the biennium were transferred out of the Division of Printing, Central Stores Administration, and Surplus Property to provide additional support for the Commissioner's Office, the Division of Accounts, and Purchases - General Offices. The Branch Budget Recommendation does not allow for an increase in fees for the Division of Printing or for Central Stores.

HOUSE REPORT

The House concurs with the Branch Budget recommendation.

SENATE REPORT

The Senate concurs with the House recommendation.

CONFERENCE REPORT

The Conference concurs with the House and Senate recommendations.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

339785DO.XLS
3/26/92
11:31 AM

Governmental Branch: Executive
Cabinet/Function: Finance and Administration
Agency: Department for Facilities Management
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	15,395,300	13,700,000	13,700,000	13,700,000	14,103,200	14,103,200	14,103,200
Restricted Funds	27,760,300	27,176,400	27,176,400	27,176,400	28,089,900	28,089,900	28,089,900
TOTAL FUNDS	**43,155,600**	**40,876,400**	**40,876,400**	**40,876,400**	**42,193,100**	**42,193,100**	**42,193,100**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	14,284,300	14,999,700	14,999,700	14,999,700	15,597,200	15,597,200	15,597,200
Operating Expenses	16,943,200	17,447,300	17,447,300	17,447,300	17,955,700	17,955,700	17,955,700
Debt Service	9,046,300	6,961,100	6,961,100	6,961,100	6,873,900	6,873,900	6,873,900
Capital Outlay	1,681,800	1,468,300	1,468,300	1,468,300	1,766,300	1,766,300	1,766,300
Construction Outlay	1,200,000						
TOTAL EXPENDITURES	**43,155,600**	**40,876,400**	**40,876,400**	**40,876,400**	**42,193,100**	**42,193,100**	**42,193,100**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	15,395,300	13,700,000	13,700,000	13,700,000	14,103,200	14,103,200	14,103,200
Restricted Funds	27,760,300	27,049,500	27,049,500	27,049,500	27,696,000	27,696,000	27,696,000
TOTAL CURRENT	**43,155,600**	**40,749,500**	**40,749,500**	**40,749,500**	**41,799,200**	**41,799,200**	**41,799,200**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Restricted Funds		126,900	126,900	126,900	393,900	393,900	393,900

V. ADDITIONAL BUDGET ITEMS

Item#	**Fund Source**		**FY 1992-93**			**FY 1993-94**	
/Type Service Unit/Description	**/Subtotal**	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
1/E Physical Plant - Phase in a total of 16 staff positions and operating for the New Central Lab.	R	6,900	6,900	6,900	297,200	297,200	297,200

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
2/E Telecommunications - Provide 4 staff positions to reduce overtime, reduce commercial service contracts, and provide more rapid response to agency needs. Long range goal is to eliminate commercial provider svs.	R	120,000	120,000	120,000	96,700	96,700	96,700
RECAP BY FUND SOURCE	**R**	**126,900**	**126,900**	**126,900**	**393,900**	**393,900**	**393,900**
GRAND TOTAL ADDITIONAL BUDGET		**126,900**	**126,900**	**126,900**	**393,900**	**393,900**	**393,900**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94 with the following exceptions. The Division of Physical Plant received additional funding to phase in a total of 16 staff positions for the New Centralized Lab and the Division of Telecommunications received funding for four additional positions to eliminate commercial maintenance of state-owned telephone systems and to provide these services in-house. The Branch Budget recommended that Restricted Funds of $500,000 be moved from the Division of Telecommunications to fully fund the Commissioner's Office and partially fund the Contract and Administration Division. The Branch Budget Recommendation does not allow for an increase in rates for rent, utilities, or telecommunications. The Capital Budget recommendation provides funding of $721,000 in FY 1992-93 and 141,000 in FY 1993-94 for the LRC Capitol Annex space renovation, $500,000 in each year for the miscellaneous projects fund, $500,000 in the first year for the Capitol Annex roof replacement, $1.5 million in each year for the emergency repair, maintenance, and replacement fund, and $1.5 million in each year for the capital construction/equipment contingency fund.

HOUSE REPORT
The House concurs with the Branch Budget recommendation.

SENATE REPORT
The Senate concurs with the House with the exception of reauthorizing the digital transmission communications equipment in the capital budget to continue the planning and designing of the integrated communications backbone.

CONFERENCE REPORT
The Conference concurs with the Senate recommendation.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

339795EO.XLS
3/26/92
11:32 AM

Governmental Branch: Executive
Cabinet/Function: Finance and Administration
Agency: Information Systems
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
Restricted Funds	30,385,800	33,231,100	33,231,100	33,231,100	34,066,200	34,066,200	34,066,200
II. EXPENDITURES BY CATEGORY							
Personnel Costs	17,651,600	18,159,200	18,159,200	18,159,200	18,682,200	18,682,200	18,682,200
Operating Expenses	5,762,600	8,057,900	8,057,900	8,057,900	8,191,800	8,191,800	8,191,800
Capital Outlay	1,203,300	1,072,700	1,072,700	1,072,700	1,072,700	1,072,700	1,072,700
Construction Outlay	5,768,300	5,941,300	5,941,300	5,941,300	6,119,500	6,119,500	6,119,500
TOTAL EXPENDITURES	**30,385,800**	**33,231,100**	**33,231,100**	**33,231,100**	**34,066,200**	**34,066,200**	**34,066,200**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
Restricted Funds	30,385,800	31,031,100	31,031,100	31,031,100	31,866,200	31,866,200	31,866,200
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Restricted Funds		2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000
V. ADDITIONAL BUDGET ITEMS							

Item#	Fund Source		FY 1992-93			FY 1993-94	
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
1/E Provide for consolidation of all vendor network costs currently being incurred by state agencies and allow funds for data network growth and network maintenance.	R	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000
RECAP BY FUND SOURCE	**R**	**2,200,000**	**2,200,000**	**2,200,000**	**2,200,000**	**2,200,000**	**2,200,000**
GRAND TOTAL ADDITIONAL BUDGET		**2,200,000**	**2,200,000**	**2,200,000**	**2,200,000**	**2,200,000**	**2,200,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94 with additional funding authorization of $2.2 million in each year provided for consolidation of all vendor network costs currently being incurred by state agencies. The recommended Capital Budget provides Restricted Funds of approximately $9 million in FY 1992-93 and approximately $11 million in FY 1993-94 for various pieces of computer equipment.

HOUSE REPORT

The House concurs with the Branch Budget recommendation.

SENATE REPORT

The Senate concurs with the House recommendation.

CONFERENCE REPORT

The Conference concurs with the House and Senate recommendations and further directs the Department to cooperate with the Revenue Cabinet in the development and implementation of the Compliance and Receivables System by utilizing available funds in the Revenue Cabinet to provide the most effort for the least dollar in the completion of the system.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: FINANCE AND ADMINISTRATION CABINET

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**OFFICE OF THE SECRETARY**										
0	KIA - INFRASTRUCT. DEV. GRANTS	GF				4,516,200	4,516,200	4,516,200	10,667,900	10,667,900	10,667,900
1	KIA FUND A	FF				54,092,800	54,092,800	54,092,800	46,782,200	46,782,200	46,782,200
	WASTEWATER PROGRAM	BF				685,600	685,600	685,600	9,356,500	9,356,500	9,356,500
	Reauthorization										
2	KIA FUND B LOAN/GRANT PROGRAM *Reauthorization*	BF				15,000,000	15,000,000	15,000,000			
AGENCY		**TOTAL**				**74,294,600**	**74,294,600**	**74,294,600**	**66,806,600**	**66,806,600**	**66,806,600**
General Fund						4,516,200	4,516,200	4,516,200	10,667,900	10,667,900	10,667,900
Federal Fund						54,092,800	54,092,800	54,092,800	46,782,200	46,782,200	46,782,200
Bond Fund						15,685,600	15,685,600	15,685,600	9,356,500	9,356,500	9,356,500
AGENCY		**TOTAL**				**74,294,600**	**74,294,600**	**74,294,600**	**66,806,600**	**66,806,600**	**66,806,600**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: FINANCE AND ADMINISTRATION CABINET

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY: DEPT FOR ADMINISTRATION										
1 HIGH VOLUME DUPLICATORS W/FINISHING	RF				162,000	162,000	162,000			
4 HIGH-VOLUME PRODUCTION PUBLISHER	RF				295,000	295,000	295,000			
AGENCY	**TOTAL**				**457,000**	**457,000**	**457,000**			
Restricted Fund					457,000	457,000	457,000			
AGENCY	**TOTAL**				**457,000**	**457,000**	**457,000**			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: FINANCE AND ADMINISTRATION CABINET

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**DEPT FOR FACILITIES MANAGEMENT**										
0	CAPITOL ANNEX LRC SPACE RENOVATION	II				721,000	721,000	721,000	141,000	141,000	141,000
0	COUNCIL OF ST. GOVT. BUILDING *Reauthorization*										
0	DIGITAL TRANS. COMM. EQUIPMENT *Reauthorization*										
2	EMERGENCY REPAIR/MAINT./REPL. FUND	II				1,500,000	1,500,000	1,500,000	2,050,000	2,050,000	2,050,000
3	CAPITAL CONS/EQUIP. CONTING. FUND	II				1,500,000	1,500,000	1,500,000	500,000	500,000	500,000
6	MISCELLANEOUS PROJECTS FUND	II				700,000	700,000	700,000	700,000	700,000	700,000
13	CAPITOL ANNEX - ROOF REPLACEMENT	CC SS				50,000 450,000	50,000 450,000	50,000 450,000			
AGENCY	**TOTAL**					**4,921,000**	**4,921,000**	**4,921,000**	**3,391,000**	**3,391,000**	**3,391,000**
Investment Income						4,421,000	4,421,000	4,421,000	3,391,000	3,391,000	3,391,000
Capital Construction Surplus						50,000	50,000	50,000			
Surplus Bond Proceeds						450,000	450,000	450,000			
AGENCY	**TOTAL**					**4,921,000**	**4,921,000**	**4,921,000**	**3,391,000**	**3,391,000**	**3,391,000**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: FINANCE AND ADMINISTRATION CABINET

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	DEPT OF INFORMATION SYSTEMS										
0	MICROGRAPHICS REPLACEMENT *Reauthorization*										
2	DISK CONTROLLER	RF				800,000	800,000	800,000			
3	DISK STORAGE DEVICE	RF				2,960,000	2,960,000	2,960,000	1,480,000	1,480,000	1,480,000
4	DISK STORAGE DEVICE	RF				930,000	930,000	930,000			
5	DISK CONTROLLER CACHE UPGRADE	RF				740,000	740,000	740,000			
6	DISK CONTROLLER CACHE UPGRADE	RF							380,000	380,000	380,000
7	TELECOMMUNICATIONS CONTROLLER	RF				610,000	610,000	610,000	610,000	610,000	610,000
8	PROCESSOR COMPLEX UPGRADE	RF							5,990,000	5,990,000	5,990,000
9	TAPE LIBRARY SYSTEM	RF							1,460,000	1,460,000	1,460,000
10	FIBER CHANNEL DIRECTOR SUBSYSTEM	RF				730,000	730,000	730,000			
11	FIBER OPTIC CONNECTOR	RF				320,000	320,000	320,000	160,000	160,000	160,000

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: FINANCE AND ADMINISTRATION CABINET

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
12	DATABASE COPROCESSOR	RF							310,000	310,000	310,000
13	CLIENT/SERVER COPROCESSOR	RF				310,000	310,000	310,000	310,000	310,000	310,000
14	LASER PRINTER COMPLEX	RF				250,000	250,000	250,000			
15	TEXT DELIVERY SYSTEM UPGRADE	RF				310,000	310,000	310,000			
16	OPTICAL DISK SERVER	RF				1,210,000	1,210,000	1,210,000			
17	SOLID STATE STORAGE	RF				120,000	120,000	120,000			
18	VECTOR MATHEMATICS COPROCESSOR	RF							240,000	240,000	240,000
AGENCY		**TOTAL**				**9,290,000**	**9,290,000**	**9,290,000**	**10,940,000**	**10,940,000**	**10,940,000**
Restricted Fund						9,290,000	9,290,000	9,290,000	10,940,000	10,940,000	10,940,000
AGENCY		**TOTAL**				**9,290,000**	**9,290,000**	**9,290,000**	**10,940,000**	**10,940,000**	**10,940,000**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

CABINET/FUNCTION: FINANCE AND ADMINISTRATION CABINET 03/30/92

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
CABINET/FUNCTION	**TOTAL**				**88,962,600**	**88,962,600**	**88,962,600**	**81,137,600**	**81,137,600**	**81,137,600**
General Fund					4,516,200	4,516,200	4,516,200	10,667,900	10,667,900	10,667,900
Federal Fund					54,092,800	54,092,800	54,092,800	46,782,200	46,782,200	46,782,200
Restricted Fund					9,747,000	9,747,000	9,747,000	10,940,000	10,940,000	10,940,000
Bond Fund					15,685,600	15,685,600	15,685,600	9,356,500	9,356,500	9,356,500
Investment Income					4,421,000	4,421,000	4,421,000	3,391,000	3,391,000	3,391,000
Capital Construction Surplus					50,000	50,000	50,000			
Surplus Bond Proceeds					450,000	450,000	450,000			
CABINET/FUNCTION	**TOTAL**				**88,962,600**	**88,962,600**	**88,962,600**	**81,137,600**	**81,137,600**	**81,137,600**

1992 GENERAL ASSEMBLY

FB 1992-94 STATE/EXECUTIVE BRANCH BUDGET MEMORANDUM

HE. HIGHER EDUCATION

APRIL 1, 1992

1992 GENERAL ASSEMBLY
FB 1992-94 CONFERENCE ANALYSIS
GENERAL FUND SUMMARY

FUNCTION: Higher Education

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
Eastern Kentucky University	53,908,400	52,046,200	51,993,600	52,296,200	53,488,600	53,391,500	53,738,600
Kentucky State University	18,131,100	18,024,100	18,006,900	18,024,100	18,613,500	18,581,800	18,613,500
Morehead State University	32,027,800	31,416,900	31,385,400	31,416,900	32,277,100	32,296,900	32,355,000
Murray State University	38,592,500	37,081,300	37,043,300	37,484,400	38,116,400	38,046,200	38,593,400
Northern Kentucky University	29,410,000	28,816,500	28,789,800	28,816,500	29,570,400	29,521,000	29,570,400
Univ. of Kentucky Main Campus	246,963,300	238,411,800	238,714,400	238,961,800	245,800,700	245,894,000	246,350,700
U.K. Community College System	68,711,600	70,900,800	70,837,300	70,900,800	73,147,500	73,030,200	73,147,500
University of Louisville	136,902,000	133,208,200	133,086,400	133,208,200	137,467,600	137,242,700	137,467,600
Western Kentucky University	51,412,500	49,413,900	49,682,600	49,733,900	50,814,400	51,050,800	51,145,400
Universities Total	676,059,200	659,319,700	659,539,700	660,842,800	679,296,200	679,055,100	680,982,100
Council on Higher Education	8,038,900	7,645,000	8,110,900	7,460,900	8,964,400	9,982,300	8,782,300
Ky. Higher Ed. Asst. Authority	18,053,300	18,475,900	20,475,900	20,475,900	19,090,200	21,090,200	21,090,200
Operating Budget Total	**702,151,400**	**685,440,600**	**688,126,500**	**688,779,600**	**707,350,800**	**710,127,600**	**710,854,600**
Capital Budget	-500,000			500,000			
Grand Total	**701,651,400**	**685,440,600**	**688,126,500**	**689,279,600**	**707,350,800**	**710,127,600**	**710,854,600**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Higher Education

Agency: Function Summary
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	702,151,400	685,440,600	688,126,500	688,779,600	707,350,800	710,127,600	710,854,600
Restricted Funds	794,589,700	822,056,000	819,056,000	820,056,000	851,603,200	853,491,400	849,603,200
Federal Funds	142,888,400	145,378,000	145,378,000	145,378,000	147,710,500	147,710,500	147,710,500
General Fund Continuing	671,300						
TOTAL FUNDS	**1,640,300,800**	**1,652,874,600**	**1,652,560,500**	**1,654,213,600**	**1,706,664,500**	**1,711,329,500**	**1,708,168,300**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	954,537,600	6,706,000	6,845,900	6,771,900	7,073,400	7,293,100	7,141,300
Operating Expenses	405,557,500	7,408,000	7,837,600	7,408,000	7,409,700	8,469,700	7,409,700
Grants, Loans, Benefits	129,499,800	25,860,800	24,610,800	25,610,800	26,599,100	25,349,100	26,349,100
Debt Service	84,106,600				1,025,000	1,025,000	1,025,000
Capital Outlay	66,599,300	158,300	304,700	158,300	162,300	150,500	162,300
University Non-Breakdown		1,612,741,500	1,612,961,500	1,614,264,600	1,664,395,000	1,669,042,100	1,666,080,900
TOTAL EXPENDITURES	**1,640,300,800**	**1,652,874,600**	**1,652,560,500**	**1,654,213,600**	**1,706,664,500**	**1,711,329,500**	**1,708,168,300**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	702,151,400	682,323,100	684,389,000	684,389,000	700,581,800	702,649,700	702,649,700
Restricted Funds	794,589,700	806,385,600	806,385,600	806,385,600	826,578,800	826,578,800	826,578,800
Federal Funds	142,888,400	144,657,700	144,657,700	144,657,700	146,408,300	146,408,300	146,408,300
General Fund Continuing	671,300						
TOTAL CURRENT	**1,640,300,800**	**1,633,366,400**	**1,635,432,300**	**1,635,432,300**	**1,673,568,900**	**1,675,636,800**	**1,675,636,800**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		3,117,500	3,737,500	4,390,600	6,769,000	7,477,900	8,204,900
Restricted Funds		15,670,400	12,670,400	13,670,400	25,024,400	26,912,600	23,024,400
Federal Funds		720,300	720,300	720,300	1,302,200	1,302,200	1,302,200
TOTAL ADDITIONAL		**19,508,200**	**17,128,200**	**18,781,300**	**33,095,600**	**35,692,700**	**32,531,500**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Higher Education
Agency: **Council on Higher Education**
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	8,038,900	7,645,000	8,110,900	7,460,900	8,964,400	9,982,300	8,782,300
Restricted Funds	12,500						
Federal Funds	759,600	817,800	817,800	817,800	817,800	817,800	817,800
TOTAL FUNDS	**8,811,000**	**8,462,800**	**8,928,700**	**8,278,700**	**9,782,200**	**10,800,100**	**9,600,100**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	2,046,300	1,989,600	2,129,500	2,055,500	2,055,700	2,275,400	2,123,600
Operating Expenses	4,477,800	3,635,100	4,064,700	3,635,100	3,737,000	4,797,000	3,737,000
Grants, Loans, Benefits	2,274,700	2,731,800	2,481,800	2,481,800	2,855,700	2,605,700	2,605,700
Debt Service					1,025,000	1,025,000	1,025,000
Capital Outlay	12,200	106,300	252,700	106,300	108,800	97,000	108,800
TOTAL EXPENDITURES	**8,811,000**	**8,462,800**	**8,928,700**	**8,278,700**	**9,782,200**	**10,800,100**	**9,600,100**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	8,038,900	7,383,000	7,448,900	7,448,900	7,677,400	7,745,300	7,745,300
Restricted Funds	12,500						
Federal Funds	759,600	817,800	817,800	817,800	817,800	817,800	817,800
TOTAL CURRENT	**8,811,000**	**8,200,800**	**8,266,700**	**8,266,700**	**8,495,200**	**8,563,100**	**8,563,100**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		262,000	662,000	12,000	1,287,000	2,237,000	1,037,000

V. ADDITIONAL BUDGET ITEMS

Item#	**Fund Source**		**FY 1992-93**			**FY 1993-94**	
/Type Service Unit/Description	**/Subtotal**	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
1/N Funds to provide for the provisions of HB 181, tuition waivers for members of the National Gaurd.	G	250,000			250,000		

/Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
2/E Provide additonal funds for the PEP Program.	G	12,000	12,000	12,000	12,000	12,000	12,000
3/E Expand the Kentucky Accountability Enhancement program to include an expansion of grants to institutions and a new systemwide data analyses on the outcomes of higher ed.	G		650,000			1,200,000	
4/N Debt service for $10.0 million life/safety projects bond to be distributed by the Council.	G				1,025,000	1,025,000	1,025,000
RECAP BY FUND SOURCE	G	**262,000**	**662,000**	**12,000**	**1,287,000**	**2,237,000**	**1,037,000**
GRAND TOTAL ADDITIONAL BUDGET		**262,000**	**662,000**	**12,000**	**1,287,000**	**2,237,000**	**1,037,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Council's administration program received a 2.2% reduction in FY 1992-93 and a 3% increase in FY 1993-94. The Council's pass-through programs received a 17.6% reduction in FY 1992-93 and a 3% increase in FY 1993-94. The Council received additional funds of $650,000 in FY 1992-93 and $1.2 million in FY 1993-94 for Accountability Enhancement; also recommended was debt service of $1,025,000 for a $10.0 million life/safety pool to be distributed to the institutions.

HOUSE REPORT

The House concurs with the Branch budget recommendation with the following exceptions: the Council's administrative budget was reduced by five percent in the first year of the biennium; the Accountability Enhancement funds are transferred to the institutions to meet the Provisions of SB 109. $12,000 is provided each year of the biennium for the PEP Program.

The following language was added: Included in the above General Fund approriation is $277,800 in FY 1992-93 and $286,100 in FY 1993-94 in the Accountability Enhancement Program to meet the accountability enhancement provisions of Senate Bill 109.

$250,000 of General Fund is added each year of the biennium to provide for the provisions of HB 181, tuition waivers for the Kentucky National Guard.

SENATE REPORT

The Senate concurs with the Branch recommendation with the following exception: $12,000 is provided each year for the Professional Education Preparation Program.

CONFERENCE REPORT

The Conference concurs with the House and Senate with the following exceptions: The $250,000 provided each year for tuition waivers for the Kentucky National Guard is deleted; the Council's administrative budget is not reduced by five percent in the first year of the biennium.

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Higher Education
Agency: KY Higher Education Assistance Authority
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	18,053,300	18,475,900	20,475,900	20,475,900	19,090,200	21,090,200	21,090,200
Restricted Funds	12,770,100	12,191,300	9,191,300	10,191,300	12,393,900	9,393,900	10,393,900
Federal Funds	1,012,900	1,003,100	1,003,100	1,003,100	1,003,200	1,003,200	1,003,200
General Fund Continuing	671,300						
TOTAL FUNDS	**32,507,600**	**31,670,300**	**30,670,300**	**31,670,300**	**32,487,300**	**31,487,300**	**32,487,300**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	4,145,700	4,716,400	4,716,400	4,716,400	5,017,700	5,017,700	5,017,700
Operating Expenses	2,719,400	3,772,900	3,772,900	3,772,900	3,672,700	3,672,700	3,672,700
Grants, Loans, Benefits	25,568,500	23,129,000	22,129,000	23,129,000	23,743,400	22,743,400	23,743,400
Capital Outlay	74,000	52,000	52,000	52,000	53,500	53,500	53,500
TOTAL EXPENDITURES	**32,507,600**	**31,670,300**	**30,670,300**	**31,670,300**	**32,487,300**	**31,487,300**	**32,487,300**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	18,053,300	18,475,900	20,475,900	20,475,900	19,090,200	21,090,200	21,090,200
Restricted Funds	12,770,100	8,190,900	8,190,900	8,190,900	8,470,500	8,470,500	8,470,500
Federal Funds	1,012,900	1,003,100	1,003,100	1,003,100	1,003,200	1,003,200	1,003,200
General Fund Continuing	671,300						
TOTAL CURRENT	**32,507,600**	**27,669,900**	**29,669,900**	**29,669,900**	**28,563,900**	**30,563,900**	**30,563,900**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Restricted Funds		4,000,400	1,000,400	2,000,400	3,923,400	923,400	1,923,400

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/RFR Provide restricted agency funds for the college work-study program.	R	1,000,000		1,000,000	1,000,000		1,000,000

	Fund Source		FY 1992-93			FY 1993-94	
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
2/RFR Provide Restricted funds for the Kentucky tuition Grant Program.	R	2,000,000			2,000,000		
3/E Add clerical and administration staff to the legal department due to volume related increases.	R	86,100	86,100	86,100	91,100	91,100	91,100
4/E Promote/ advertise the Ky Educational Savings Plan Trust, create one staff position each year of the biennium.	R	100,400	100,400	100,400	155,000	155,000	155,000
5/E Provide for increased administrative costs.	R	813,900	813,900	813,900	677,300	677,300	677,300
RECAP BY FUND SOURCE	**R**	**4,000,400**	**1,000,400**	**2,000,400**	**3,923,400**	**923,400**	**1,923,400**
GRAND TOTAL ADDITIONAL BUDGET		**4,000,400**	**1,000,400**	**2,000,400**	**3,923,400**	**923,400**	**1,923,400**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The College Acess Program and the State Student Incentive Program(now combined) and the Kentucky Tuition Grant budget were straight lined in FY 1992-93 and a three percent increase was provided in FY 1993-94; the KHEAA Work Study program was not funded. Teacher's Scholarships were reduced from its FY 1991-92 base to $1,575,000 in FY 1992-93 and $1,619,300 in FY 1993-94.

HOUSE REPORT

The House concurs with the Branch budget recommendation with the following exceptions: $1.0 million of Restricted fund authorization is provided each year of the biennium for the Work Study Program; $2.0 million of Restricted fund expenditure authorization is provided for the KTG program to replace General funds each year of the biennium; $813,900 in FY 1992-93 and $677,300 in $1993-94 of Restricted funds expenditure authorization is provided for Administrative costs.

SENATE REPORT

The Senate concurs with the Branch recommendation with the following exception: $813,900 in FY 1992-93 and $677,300 in FY 1993-94 of Restricted funds expenditure authorization is provided for administrative costs.

CONFERENCE REPORT

The Conference concurs with the House and Senate with the following exceptions: The $2.0 million of Restricted Funds expenditure to replace General Fund in the KTG program was deleted; the following language was added: "Notwithstanding the provisions of KRS 164.770 Service at any school certified pursuant to KRS 156.160(3) qualifies grantee/loan holder for credit toward loan repayment in the Teacher's Scholarship program (11 KAR 8:030)."

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Higher Education

Agency: **Universities Fiscal Summary**
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	676,059,200	659,319,700	659,539,700	660,842,800	679,296,200	679,055,100	680,982,100
Restricted Funds	781,807,100	809,864,700	809,864,700	809,864,700	839,209,300	844,097,500	839,209,300
Federal Funds	141,115,900	143,557,100	143,557,100	143,557,100	145,889,500	145,889,500	145,889,500
TOTAL FUNDS	**1,598,982,200**	**1,612,741,500**	**1,612,961,500**	**1,614,264,600**	**1,664,395,000**	**1,669,042,100**	**1,666,080,900**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	948,345,600						
Operating Expenses	398,360,300						
Grants, Loans, Benefits	101,656,600						
Debt Service	84,106,600						
Capital Outlay	66,513,100						
TOTAL EXPENDITURES	**1,598,982,200**	**1,612,741,500**	**1,612,961,500**	**1,614,264,600**	**1,664,395,000**	**1,669,042,100**	**1,666,080,900**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	676,059,200	656,464,200	656,464,200	656,464,200	673,814,200	673,814,200	673,814,200
Restricted Funds	781,807,100	798,194,700	798,194,700	798,194,700	818,108,300	818,108,300	818,108,300
Federal Funds	141,115,900	142,836,800	142,836,800	142,836,800	144,587,300	144,587,300	144,587,300
TOTAL CURRENT	**1,598,982,200**	**1,597,495,700**	**1,597,495,700**	**1,597,495,700**	**1,636,509,800**	**1,636,509,800**	**1,636,509,800**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		2,855,500	3,075,500	4,378,600	5,482,000	5,240,900	7,167,900
Restricted Funds		11,670,000	11,670,000	11,670,000	21,101,000	25,989,200	21,101,000
Federal Funds		720,300	720,300	720,300	1,302,200	1,302,200	1,302,200
TOTAL ADDITIONAL		**15,245,800**	**15,465,800**	**16,768,900**	**27,885,200**	**32,532,300**	**29,571,100**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Higher Education

Agency: **Eastern Kentucky University**
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	53,908,400	52,046,200	51,993,600	52,296,200	53,488,600	53,391,500	53,738,600
Restricted Funds	60,676,100	61,242,900	61,242,900	61,242,900	62,148,700	62,148,700	62,148,700
Federal Funds	14,447,100	14,447,100	14,447,100	14,447,100	14,447,100	14,447,100	14,447,100
TOTAL FUNDS	**129,031,600**	**127,736,200**	**127,683,600**	**127,986,200**	**130,084,400**	**129,987,300**	**130,334,400**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	72,699,500						
Operating Expenses	25,480,400						
Grants, Loans, Benefits	11,953,200						
Debt Service	8,455,900						
Capital Outlay	10,442,600						
TOTAL EXPENDITURES	**129,031,600**	**127,736,200**	**127,683,600**	**127,986,200**	**130,084,400**	**129,987,300**	**130,334,400**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	53,908,400	51,927,600	51,927,600	51,927,600	53,322,200	53,322,200	53,322,200
Restricted Funds	60,676,100	61,242,900	61,242,900	61,242,900	62,148,700	62,148,700	62,148,700
Federal Funds	14,447,100	14,447,100	14,447,100	14,447,100	14,447,100	14,447,100	14,447,100
TOTAL CURRENT	**129,031,600**	**127,617,600**	**127,617,600**	**127,617,600**	**129,918,000**	**129,918,000**	**129,918,000**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		118,600	66,000	368,600	166,400	69,300	416,400

V. ADDITIONAL BUDGET ITEMS

Item# **/Type Service Unit/Description**	**Fund Source** **/Subtotal**	FY 1992-93 **House**	FY 1992-93 **Senate**	FY 1992-93 **Conference**	FY 1993-94 **House**	FY 1993-94 **Senate**	FY 1993-94 **Conference**
1/E London/Corbin area needs: EKU's extended campus enrolls 1,600 students, total population will support 2,000 to 2,500. These funds would be used to accelerate course offerings in the area.	G			250,000			250,000

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
2/N O&M for new facilities coming on line.	G	66,000	66,000	66,000	69,300	69,300	69,300
3/N Accountability Enhancement funds to meet the provisions of SB 109.	G	52,600		52,600	97,100		97,100
RECAP BY FUND SOURCE	G	**118,600**	**66,000**	**368,600**	**166,400**	**69,300**	**416,400**
GRAND TOTAL ADDITIONAL BUDGET		**118,600**	**66,000**	**368,600**	**166,400**	**69,300**	**416,400**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The institution recieved a five percent operating reduction on its FY 1991-92 revised base, exclusive of debt service, in FY 1992-93; in FY 1993-94 a three percent increase was provided. Operation and maintenance funds for new facilities coming on line was provided in the amount of $66,000 in FY 1992-93 and $69,300 in FY 1993-94.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the following exception: $52,600 is provided in FY 1992-93 and $97,100 in FY 1993-94 to meet the accountability enhancement provisions of SB 109.

SENATE REPORT

The Senate concurs with the Branch Budget recommedation.

CONFERENCE REPORT

The Conference concurs with the House and Senate with the following exception: $250,000 is provided each year of the biennium for operation of the London/Corbin extended campus.

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Higher Education
Agency: **Kentucky State University**
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	18,131,100	18,024,100	18,006,900	18,024,100	18,613,500	18,581,800	18,613,500
Restricted Funds	7,726,600	9,050,900	9,050,900	9,050,900	9,752,700	9,752,700	9,752,700
Federal Funds	7,680,300	7,994,300	7,994,300	7,994,300	8,291,700	8,291,700	8,291,700
TOTAL FUNDS	**33,538,000**	**35,069,300**	**35,052,100**	**35,069,300**	**36,657,900**	**36,626,200**	**36,657,900**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	20,232,500						
Operating Expenses	6,440,900						
Grants, Loans, Benefits	2,657,700						
Debt Service	2,576,500						
Capital Outlay	1,630,400						
TOTAL EXPENDITURES	**33,538,000**	**35,069,300**	**35,052,100**	**35,069,300**	**36,657,900**	**36,626,200**	**36,657,900**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	18,131,100	17,759,600	17,759,600	17,759,600	18,208,100	18,208,100	18,208,100
Restricted Funds	7,726,600	8,477,500	8,477,500	8,477,500	8,676,100	8,676,100	8,676,100
Federal Funds	7,680,300	7,994,300	7,994,300	7,994,300	8,291,700	8,291,700	8,291,700
TOTAL CURRENT	**33,538,000**	**34,231,400**	**34,231,400**	**34,231,400**	**35,175,900**	**35,175,900**	**35,175,900**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		264,500	247,300	264,500	405,400	373,700	405,400
Restricted Funds		573,400	573,400	573,400	1,076,600	1,076,600	1,076,600
TOTAL ADDITIONAL		**837,900**	**820,700**	**837,900**	**1,482,000**	**1,450,300**	**1,482,000**

V. ADDITIONAL BUDGET ITEMS

Item# **/Type Service Unit/Description**	**Fund Source** **/Subtotal**	FY 1992-93 **House**	FY 1992-93 **Senate**	FY 1992-93 **Conference**	FY 1993-94 **House**	FY 1993-94 **Senate**	FY 1993-94 **Conference**
1/E Formula amount above current services request(79.4%) based on on CHE's recommendation of 90% of full funding of the formula in the first year of the biennium and 100% in the second.	R	573,400	573,400	573,400	1,076,600	1,076,600	1,076,600

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
2/N O&M for new facilities coming on line.	G	247,300	247,300	247,300	373,700	373,700	373,700
3/N Accountabilty Enhancement to meet the provisions of SB109.	G	17,200		17,200	31,700		31,700
RECAP BY FUND SOURCE	**G**	**264,500**	**247,300**	**264,500**	**405,400**	**373,700**	**405,400**
	R	**573,400**	**573,400**	**573,400**	**1,076,600**	**1,076,600**	**1,076,600**
GRAND TOTAL ADDITIONAL BUDGET		**837,900**	**820,700**	**837,900**	**1,482,000**	**1,450,300**	**1,482,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The institution recieved a five percent operating reduction on its FY 1991-92 revised base, exclusive of debt service, in FY 1992-93; in FY 1993-94 a three percent increase was provided. Operation and maintenance funds for new facilities coming on line were provided in the amount of $247,300 in FY 1992-93 and $373,700 in FY 1993-94.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the following exception: $17,200 is provided in FY 1992-93 and $31,700 in FY 1993-94 to meet the accountability enhancement provisions of SB 109.

SENATE REPORT

The Senate concurs with the Branch recommedation.

CONFERENCE REPORT

The Conference concurs with the House and Senate with the following exception: the Aquaculture Program facility authorized in the amount of $500,000 by the 1990 General Assembly is deauthorized for FY 1991-92.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/30/92
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Governmental Branch: Executive
Cabinet/Function: Higher Education
Agency: **Morehead State University**
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	32,027,800	31,416,900	31,385,400	31,416,900	32,277,100	32,296,900	32,355,000
Restricted Funds	31,512,800	36,272,500	36,272,500	36,272,500	39,910,100	39,910,100	39,910,100
Federal Funds	8,766,900	9,419,100	9,419,100	9,419,100	9,911,400	9,911,400	9,911,400
TOTAL FUNDS	**72,307,500**	**77,108,500**	**77,077,000**	**77,108,500**	**82,098,600**	**82,118,400**	**82,176,500**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	39,341,400						
Operating Expenses	15,034,600						
Grants, Loans, Benefits	9,779,400						
Debt Service	4,900,100						
Capital Outlay	3,252,000						
TOTAL EXPENDITURES	**72,307,500**	**77,108,500**	**77,077,000**	**77,108,500**	**82,098,600**	**82,118,400**	**82,176,500**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	32,027,800	31,385,400	31,385,400	31,385,400	32,219,000	32,219,000	32,219,000
Restricted Funds	31,512,800	31,512,800	31,512,800	31,512,800	31,512,800	31,512,800	31,512,800
Federal Funds	8,766,900	8,766,900	8,766,900	8,766,900	8,766,900	8,766,900	8,766,900
TOTAL CURRENT	**72,307,500**	**71,665,100**	**71,665,100**	**71,665,100**	**72,498,700**	**72,498,700**	**72,498,700**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		31,500		31,500	58,100	77,900	136,000
Restricted Funds		4,759,700	4,759,700	4,759,700	8,397,300	8,397,300	8,397,300
Federal Funds		652,200	652,200	652,200	1,144,500	1,144,500	1,144,500
TOTAL ADDITIONAL		**5,443,400**	**5,411,900**	**5,443,400**	**9,599,900**	**9,619,700**	**9,677,800**

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/E Formula amount above current services request(79.4%) based on CHE's recommendation of 90 % of full funding of the formula in the first year of the biennium and 100% in the second.	R	514,000	514,000	514,000	1,383,000	1,383,000	1,383,000
2/E Other restricted Restricted Agency revenue support.	R	2,684,500	2,684,500	2,684,500	4,539,700	4,539,700	4,539,700
3/E Federal, State, Private Grants and Contracts.	R	1,561,200	1,561,200	1,561,200	2,474,600	2,474,600	2,474,600
	F	652,200	652,200	652,200	1,144,500	1,144,500	1,144,500
	Total	**2,213,400**	**2,213,400**	**2,213,400**	**3,619,100**	**3,619,100**	**3,619,100**
4/ Accountability Enhancement funds to meet the provisions of SB 109.	G	31,500		31,500	58,100		58,100
5/N O&M funds for Lappin Hall.	G					77,900	77,900
RECAP BY FUND SOURCE	G	**31,500**		**31,500**	**58,100**	**77,900**	**136,000**
	R	**4,759,700**	**4,759,700**	**4,759,700**	**8,397,300**	**8,397,300**	**8,397,300**
	F	**652,200**	**652,200**	**652,200**	**1,144,500**	**1,144,500**	**1,144,500**
GRAND TOTAL ADDITIONAL BUDGET		**5,443,400**	**5,411,900**	**5,443,400**	**9,599,900**	**9,619,700**	**9,677,800**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The institution recieved a five percent operating reduction on its FY 1991-92 revised base, exclusive of debt service, in FY 1992-93; in FY 1993-94 a three percent increase was provided.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the following exception: $31,500 in FY 1992-93 and $58,100 in FY 1993-94 is provided to meet the accountability enhancement provisions of SB 109.

SENATE REPORT

The Senate concurs with the Branch Budget recommemdation with the following exception: $77,900 is provided in FY 1993-94 for O & M for Lappin Hall.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/31/92
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Governmental Branch: Executive
Cabinet/Function: Higher Education

Agency: **Murray State University**
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	38,592,500	37,081,300	37,043,300	37,484,400	38,116,400	38,046,200	38,593,400
Restricted Funds	32,449,000	34,580,800	34,580,800	34,580,800	35,866,300	35,866,300	35,866,300
Federal Funds	4,967,000	4,967,000	4,967,000	4,967,000	4,967,000	4,967,000	4,967,000
TOTAL FUNDS	76,008,500	76,629,100	76,591,100	77,032,200	78,949,700	78,879,500	79,426,700
II. EXPENDITURES BY CATEGORY							
Personnel Costs	46,271,500						
Operating Expenses	15,854,300						
Grants, Loans, Benefits	8,116,600						
Debt Service	4,287,600						
Capital Outlay	1,478,500						
TOTAL EXPENDITURES	76,008,500	76,629,100	76,591,100	77,032,200	78,949,700	78,879,500	79,426,700
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	38,592,500	37,043,300	37,043,300	37,043,300	38,046,200	38,046,200	38,046,200
Restricted Funds	32,449,000	34,351,300	34,351,300	34,351,300	35,427,800	35,427,800	35,427,800
Federal Funds	4,967,000	4,967,000	4,967,000	4,967,000	4,967,000	4,967,000	4,967,000
TOTAL CURRENT	76,008,500	76,361,600	76,361,600	76,361,600	78,441,000	78,441,000	78,441,000
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		38,000		441,100	70,200		547,200
Restricted Funds		229,500	229,500	229,500	438,500	438,500	438,500
TOTAL ADDITIONAL		267,500	229,500	670,600	508,700	438,500	985,700

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/E Formula amount above current services request(79.4%) based on CHE's recommendation of 90% of full funding of the formula in the first year of the biennium and 100% in the second.	R	229,500	229,500	229,500	438,500	438,500	438,500

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
2/N Accountability Enhancement funds to meet the provisions of SB 109.	G	38,000		38,000	70,200		70,200
3/N Additional operating funds for the Breathitt Veterinary Center.	G			403,100			477,000
RECAP BY FUND SOURCE	**G**	**38,000**		**441,100**	**70,200**		**547,200**
	R	**229,500**	**229,500**	**229,500**	**438,500**	**438,500**	**438,500**
GRAND TOTAL ADDITIONAL BUDGET		**267,500**	**229,500**	**670,600**	**508,700**	**438,500**	**985,700**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The institution recieved a five percent operating reduction on its FY 1991-92 revised base, exclusive of debt service, in FY 1992-93; in FY 1993-94 a three percent increase was provided.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the following exception: $38,000 in FY 1992-93 and $70,200 in FY 1993-94 is provided to meet the accountability enhancement provisions of SB 109.

SENATE REPORT

The Senate concurs with the Branch Budget recommendation.

CONFERENCE REPORT

The Conference concurs with the House and Senate with the following exception: the following language is added: "Included in the above General Fund appropriation is $1,941,700 in FY 1992-93 and $2,015,600 In FY 1993-94 for the Breathitt Veterinary Center; also included in the above Restricted Fund appropriation is $180,000 each year of the biennium for the Breathitt Veterinary Center. Notwithstanding KRS 48.130 and KRS 48.600, there shall be no reduction in funding."

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/30/92
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Governmental Branch: Executive
Cabinet/Function: Higher Education
Agency: **Northern Kentucky University**
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	29,410,000	28,816,500	28,789,800	28,816,500	29,570,400	29,521,000	29,570,400
Restricted Funds	30,323,000	32,080,600	32,080,600	32,080,600	34,239,600	34,239,600	34,239,600
Federal Funds	3,261,900	3,261,900	3,261,900	3,261,900	3,261,900	3,261,900	3,261,900
TOTAL FUNDS	**62,994,900**	**64,159,000**	**64,132,300**	**64,159,000**	**67,071,900**	**67,022,500**	**67,071,900**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	40,762,300						
Operating Expenses	9,304,600						
Grants, Loans, Benefits	4,517,300						
Debt Service	5,640,900						
Capital Outlay	2,769,800						
TOTAL EXPENDITURES	**62,994,900**	**64,159,000**	**64,132,300**	**64,159,000**	**67,071,900**	**67,022,500**	**67,071,900**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	29,410,000	28,655,400	28,655,400	28,655,400	29,359,000	29,359,000	29,359,000
Restricted Funds	30,323,000	31,495,900	31,495,900	31,495,900	32,641,600	32,641,600	32,641,600
Federal Funds	3,261,900	3,261,900	3,261,900	3,261,900	3,261,900	3,261,900	3,261,900
TOTAL CURRENT	**62,994,900**	**63,413,200**	**63,413,200**	**63,413,200**	**65,262,500**	**65,262,500**	**65,262,500**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		161,100	134,400	161,100	211,400	162,000	211,400
Restricted Funds		584,700	584,700	584,700	1,598,000	1,598,000	1,598,000
TOTAL ADDITIONAL		**745,800**	**719,100**	**745,800**	**1,809,400**	**1,760,000**	**1,809,400**

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/E Formula amount above current services request(79.4%) based on CHE's recommendation of 90% of full funding of the formula in the first year of the biennium and 100% in the second.	R	584,700	584,700	584,700	1,598,000	1,598,000	1,598,000
2/N O&M for new facilities coming on line.	G	134,400	134,400	134,400	162,000	162,000	162,000
3/N Accoutability Enhancement funds to meet the provisions of SB109.	G	26,700		26,700	49,400		49,400
RECAP BY FUND SOURCE	G	**161,100**	**134,400**	**161,100**	**211,400**	**162,000**	**211,400**
	R	**584,700**	**584,700**	**584,700**	**1,598,000**	**1,598,000**	**1,598,000**
GRAND TOTAL ADDITIONAL BUDGET		**745,800**	**719,100**	**745,800**	**1,809,400**	**1,760,000**	**1,809,400**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The institution recieved a five percent operating reduction on its FY 1991-92 revised base, exclusive of debt service, in FY 1992-93; in FY 1993-94 a three percent increase was provided. Operation and maintenance funds for new facilities coming on line were provided in the amount of $134,400 in FY 1992-93 and $162,000 in FY 1993-94.

HOUSE REPORT

The House concurs with the Branch recommendation with the following exceptions: $ 26,700 in FY 1992-93 and $49,400 in FY 1993-94 is provided to meet the Accountability Enhancements provisions of SB109. The Institution was provided authority to expend $1.5 million of Restricted funds for planning and design of a Natural Sciences Building; the appropriation of $1.5 million of Restricted funds implies no funding commitment for the 1994 General Assembly.

SENATE REPORT

The Senate concurs with the Branch recommedation with the following exception: The institution was provided authority to expend $1.1 million of Restricted funds for planning and design of a Natural Sciences Building.

CONFERENCE REPORT

The Conference concurs with the House and Senate with the following exception: Restricted expenditure authority in the amount of $1.1 million for planning and design of a Natural Science building is deleted.

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive
Cabinet/Function: Higher Education
Agency: University of Kentucky
Unit: Summary

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	315,674,900	309,312,600	309,551,700	309,862,600	318,948,200	318,924,200	319,498,200
Restricted Funds	414,202,700	427,955,000	427,955,000	427,955,000	443,665,500	448,553,700	443,665,500
Federal Funds	69,039,600	70,514,600	70,514,600	70,514,600	72,057,300	72,057,300	72,057,300
TOTAL FUNDS	**798,917,200**	**807,782,200**	**808,021,300**	**808,332,200**	**834,671,000**	**839,535,200**	**835,221,000**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	458,038,700						
Operating Expenses	227,054,000						
Grants, Loans, Benefits	37,665,200						
Debt Service	38,027,200						
Capital Outlay	38,132,100						
University Non-Breakdown		807,782,200	808,021,300	808,332,200	834,671,000	839,535,200	835,221,000
TOTAL EXPENDITURES	**798,917,200**	**807,782,200**	**808,021,300**	**808,332,200**	**834,671,000**	**839,535,200**	**835,221,000**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	315,674,900	307,558,900	307,558,900	307,558,900	315,492,000	315,492,000	315,492,000
Restricted Funds	414,202,700	424,289,600	424,289,600	424,289,600	438,003,900	438,003,900	438,003,900
Federal Funds	69,039,600	70,446,500	70,446,500	70,446,500	71,899,600	71,899,600	71,899,600
TOTAL CURRENT	**798,917,200**	**802,295,000**	**802,295,000**	**802,295,000**	**825,395,500**	**825,395,500**	**825,395,500**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		1,753,700	1,992,800	2,303,700	3,456,200	3,432,200	4,006,200
Restricted Funds		3,665,400	3,665,400	3,665,400	5,661,600	10,549,800	5,661,600
Federal Funds		68,100	68,100	68,100	157,700	157,700	157,700
TOTAL ADDITIONAL		**5,487,200**	**5,726,300**	**6,037,200**	**9,275,500**	**14,139,700**	**9,825,500**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Higher Education

Agency: **University of Kentucky**
Unit: **University System**

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	246,963,300	238,411,800	238,714,400	238,961,800	245,800,700	245,894,000	246,350,700
Restricted Funds	367,631,100	380,810,800	380,810,800	380,810,800	395,146,500	400,034,700	395,146,500
Federal Funds	53,845,000	55,251,400	55,251,400	55,251,400	56,722,200	56,722,200	56,722,200
TOTAL FUNDS	**668,439,400**	**674,474,000**	**674,776,600**	**675,024,000**	**697,669,400**	**702,650,900**	**698,219,400**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	384,768,500						
Operating Expenses	204,547,900						
Grants, Loans, Benefits	19,324,200						
Debt Service	26,603,200						
Capital Outlay	33,195,600						
TOTAL EXPENDITURES	**668,439,400**	**674,474,000**	**674,776,600**	**675,024,000**	**697,669,400**	**702,650,900**	**698,219,400**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	246,963,300	237,463,200	237,463,200	237,463,200	243,615,900	243,615,900	243,615,900
Restricted Funds	367,631,100	377,694,800	377,694,800	377,694,800	390,724,100	390,724,100	390,724,100
Federal Funds	53,845,000	55,186,800	55,186,800	55,186,800	56,572,200	56,572,200	56,572,200
TOTAL CURRENT	**668,439,400**	**670,344,800**	**670,344,800**	**670,344,800**	**690,912,200**	**690,912,200**	**690,912,200**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		948,600	1,251,200	1,498,600	2,184,800	2,278,100	2,734,800
Restricted Funds		3,116,000	3,116,000	3,116,000	4,422,400	9,310,600	4,422,400
Federal Funds		64,600	64,600	64,600	150,000	150,000	150,000
TOTAL ADDITIONAL		**4,129,200**	**4,431,800**	**4,679,200**	**6,757,200**	**11,738,700**	**7,307,200**

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/E Restricted Agency Funds expenditure authority request to cover cost of living above current services.	R	3,029,600	3,029,600	3,029,600	4,260,200	4,260,200	4,260,200
	F	64,600	64,600	64,600	150,000	150,000	150,000
	Total	**3,094,200**	**3,094,200**	**3,094,200**	**4,410,200**	**4,410,200**	**4,410,200**
2/E/N Formula amount above current services request(79.4%) based on CHE's recommendation of 90% of full funding of the formula in the first year of the biennium and 100% in the second.	R	86,400	86,400	86,400	162,200	162,200	162,200
3/E Center of Excellence for Rural Healthcare; the initiative is in response to the Healthcare Reform Act of 1990 which calls on the University to develop links with its rural constituents.	G	294,700	294,700	294,700	463,100	463,100	463,100
4/N O&M for new facilities coming on line.	G	356,500	356,500	356,500	1,215,000	1,215,000	1,215,000
5/N Accountability Enhancement funds to meet the provisions of SB109.	G	247,400		247,400	456,700		456,700
6/N Geological Survey water repository data base.	G	50,000	50,000	50,000	50,000	50,000	50,000
7/N Funds to comply with HB 310.	G		50,000	50,000		50,000	50,000
8/N Debt service on the Commonwealth Library, ($46,000,000) to be provided from Restricted funds.	R					4,888,200	

Item#	Fund Source	FY 1992-93			FY 1993-94		
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
9/N Funds to provide for off campus Agricultural facilities maintenace.	G		500,000	500,000		500,000	500,000
RECAP BY FUND SOURCE	G	948,600	1,251,200	1,498,600	2,184,800	2,278,100	2,734,800
	R	3,116,000	3,116,000	3,116,000	4,422,400	9,310,600	4,422,400
	F	64,600	64,600	64,600	150,000	150,000	150,000
GRAND TOTAL ADDITIONAL BUDGET		4,129,200	4,431,800	4,679,200	6,757,200	11,738,700	7,307,200

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The institution received a five percent operating reduction on its FY 1991-92 revised base, exclusive of debt service, in FY 1992-93; in FY 1993-94 a three percent increase was provided. Operation and maintenance funds for new facilities coming on line were provided in the amount of $356,500 in FY 1992-93 and $1,215,000 in FY 1993-94.Funding was provided in the amount of $294,700 in FY 1992-93 and $463,100 in Fiscal Year for Rural Health Care(SB 239) which reflects Family Practice residency positions and funding for AHECs' as recommended by

HOUSE REPORT

The House concurs with the Branch Budget Recommendation with the following exception: $247,400 in FY 1992-93 and $456,700 in FY 1993-94 is provided to meet the accountability enhancement provisions of SB109. $50,000 is provided each year of the biennium for the Kentucky Geological Survey for a Ground Water Repository data bank. The following language was added:

Notwithstanding the obligation stated in the FB 1992-94 Executive Budget Document-Capital Construction Section in support of the Executive Budget recommendation relative to the Commonwealth Library at the University of Kentucky, the FB 1992-94 appropriation of $12.0 million of Restricted Funds implies no funding commitment for the 1994 General Assembly.

Authority was provided from Restricted Funds to renovate the Commonwealth Stadium parking lot in the current year ($850,000).

SENATE REPORT

The Senate concurs with the Branch recommendation with the following exceptions: $50,000 is provided each year to comply with HB 310; $50,000 is provided each for the Kentucky Geological Survey for a Ground Water Respository data bank; authority to expend Restricted funds in the amount of $873,000 in FY 1993-94 for design and Planning for a Mechanical Engineering building is provided; authority to expend Restricted funds in the amount of $7,000,000 is provided for upgrade of a Super Computer in FY 1992-93; $500,000 of General fund is provided each year for mainteance of off campus Agriculture Facilities; authority was provided from Restricted funds to renovate the Commonwealth Stadium parking lot in the current year ($850,000).

Bond authorization for the Commonwealth Library at the University of Kentucky is provided, $46,000,000.

Debt service in FY 1993-94 will be restricted funds from non state sources.

CONFERENCE REPORT

The Conference concurs with the House and Senate with the following exceptions: Authority to expend Restricted funds in the amount of $873,000 in FY 1993-94 for design and planning of a Mechanical Engineering building is deleted; bond authorization for the Commonwealth Library is deleted; the language notwithstanding the obligation stated in the FB 1992-94 Executive Budget document-Capital Construction Section is deleted.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Higher Education

Agency: University of Kentucky
Unit: UK Community College System

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	68,711,600	70,900,800	70,837,300	70,900,800	73,147,500	73,030,200	73,147,500
Restricted Funds	46,571,600	47,144,200	47,144,200	47,144,200	48,519,000	48,519,000	48,519,000
Federal Funds	15,194,600	15,263,200	15,263,200	15,263,200	15,335,100	15,335,100	15,335,100
TOTAL FUNDS	**130,477,800**	**133,308,200**	**133,244,700**	**133,308,200**	**137,001,600**	**136,884,300**	**137,001,600**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	73,270,200						
Operating Expenses	22,506,100						
Grants, Loans, Benefits	18,341,000						
Debt Service	11,424,000						
Capital Outlay	4,936,500						
TOTAL EXPENDITURES	**130,477,800**	**133,308,200**	**133,244,700**	**133,308,200**	**137,001,600**	**136,884,300**	**137,001,600**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	68,711,600	70,095,700	70,095,700	70,095,700	71,876,100	71,876,100	71,876,100
Restricted Funds	46,571,600	46,594,800	46,594,800	46,594,800	47,279,800	47,279,800	47,279,800
Federal Funds	15,194,600	15,259,700	15,259,700	15,259,700	15,327,400	15,327,400	15,327,400
TOTAL CURRENT	**130,477,800**	**131,950,200**	**131,950,200**	**131,950,200**	**134,483,300**	**134,483,300**	**134,483,300**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		805,100	741,600	805,100	1,271,400	1,154,100	1,271,400
Restricted Funds		549,400	549,400	549,400	1,239,200	1,239,200	1,239,200
Federal Funds		3,500	3,500	3,500	7,700	7,700	7,700
TOTAL ADDITIONAL		**1,358,000**	**1,294,500**	**1,358,000**	**2,518,300**	**2,401,000**	**2,518,300**

V. ADDITIONAL BUDGET ITEMS

Item#	Fund Source		FY 1992-93			FY 1993-94	
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
1/E Restricted Agency funds	R	72,800	72,800	72,800	159,200	159,200	159,200
expenditure authority request	F	3,500	3,500	3,500	7,700	7,700	7,700
to cover cost of living above	**Total**	**76,300**	**76,300**	**76,300**	**166,900**	**166,900**	**166,900**
current services.							

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
2/E/N Formula amount above current services request(79.4%) based on CHE's recommendation of 90% of full funding of the formula in the first year of the biennium and 100% in the second.	R	476,600	476,600	476,600	1,080,000	1,080,000	1,080,000
3/N O&M for new facilities coming on line.	G	741,600	741,600	741,600	1,154,100	1,154,100	1,154,100
4/N Accountability Enhancement funds to meet the provisions of SB109.	G	63,500		63,500	117,300		117,300
RECAP BY FUND SOURCE	G	805,100	741,600	805,100	1,271,400	1,154,100	1,271,400
	R	549,400	549,400	549,400	1,239,200	1,239,200	1,239,200
	F	3,500	3,500	3,500	7,700	7,700	7,700
GRAND TOTAL ADDITIONAL BUDGET		1,358,000	1,294,500	1,358,000	2,518,300	2,401,000	2,518,300

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The institution's budget will be maintained at its current FY 1991-92 revised level in FY 1992-93 and will be provided a three percent increase in FY 1993-94. Operation and maintenance funds for new facilities coming on line were provided in the amount of $741,600 in FY 1992-93 and $1,154,100 in FY 1993-94.

HOUSE REPORT

The House concurs with the Branch Budget Recommendation with the following exception: $63,500 in FY 1992-93 and $117,300 in FY 1993-94 is provided to meet the accountability enhancement provisions of SB109. The following langauge was added: Notwithstanding the obligation stated in the FB 1992-94 Executive Budget Document-Capital Construction Section in support of the Executive Budget recommendation relative to the Hazard Student/Performing Arts/ Conference Center at the University of Kentucky Community College System, the FB 1993-94 appropriation of $750,000 Capital Construction Surplus funds implies no funding commitment for the 1994 General Assembly. Notwithstanding the obligation stated in the FB 1992-94 Executive Budget Document-Capital Construction Section in support of the Executive Budget recommendation relative to the Ashland Classroom Building at the University of Kentucky Community College System, the FB 1993-94 appropriation of $310,000 Capital Construction Surplus funds implies no funding commitment for the 1994 General Assembly.

SENATE REPORT

The Senate concurs with the Branch Budget recommendation with the following exception, the following langauge was added: In the event that private (non-state) funds become available authority is provided for the Hazard Community College to undertake design/planning and other pre-construction activities for the Hazard Community College-Student /Performing Arts/Conference Center Project in FY 1992-93.

CONFERENCE REPORT

The Conference concurs with the House with the following exception: the language notwithstanding the obligation stated in the FB 1992-94 Executive Budget document-Capital Construction section is deleted.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Higher Education
Agency: University of Louisville
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	136,902,000	133,208,200	133,086,400	133,208,200	137,467,600	137,242,700	137,467,600
Restricted Funds	159,766,900	162,623,400	162,623,400	162,623,400	166,428,400	166,428,400	166,428,400
Federal Funds	23,394,600	23,394,600	23,394,600	23,394,600	23,394,600	23,394,600	23,394,600
TOTAL FUNDS	**320,063,500**	**319,226,200**	**319,104,400**	**319,226,200**	**327,290,600**	**327,065,700**	**327,290,600**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	208,009,100						
Operating Expenses	77,318,400						
Grants, Loans, Benefits	13,874,400						
Debt Service	14,245,300						
Capital Outlay	6,616,300						
General Fund Continuing		319,226,200	319,104,400	319,226,200	327,290,600	327,065,700	327,290,600
TOTAL EXPENDITURES	**320,063,500**	**319,226,200**	**319,104,400**	**319,226,200**	**327,290,600**	**327,065,700**	**327,290,600**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	136,902,000	132,771,400	132,771,400	132,771,400	136,447,900	136,447,900	136,447,900
Restricted Funds	159,766,900	160,766,100	160,766,100	160,766,100	162,499,400	162,499,400	162,499,400
Federal Funds	23,394,600	23,394,600	23,394,600	23,394,600	23,394,600	23,394,600	23,394,600
TOTAL CURRENT	**320,063,500**	**316,932,100**	**316,932,100**	**316,932,100**	**322,341,900**	**322,341,900**	**322,341,900**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		436,800	315,000	436,800	1,019,700	794,800	1,019,700
Restricted Funds		1,857,300	1,857,300	1,857,300	3,929,000	3,929,000	3,929,000
TOTAL ADDITIONAL		**2,294,100**	**2,172,300**	**2,294,100**	**4,948,700**	**4,723,800**	**4,948,700**

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93			FY 1993-94		
		House	Senate	Conference	House	Senate	Conference
1/E Formula amount above current services request(79.4%) based on CHE's recommendation of 90% of full funding of the formula in the first year of the biennium and 100% in the second.	R	1,857,300	1,857,300	1,857,300	3,929,000	3,929,000	3,929,000
2/M Rural Health: expansion of SB239; Rural Health professions program at madisonville.	G	315,000	315,000	315,000	560,000	560,000	560,000
3/N O&M for new facilities coming on line.	G				234,800	234,800	234,800
4/N Accountability Enhancement funds to meet the provisions of SB109.	G	121,800		121,800	224,900		224,900
RECAP BY FUND SOURCE	G	**436,800**	**315,000**	**436,800**	**1,019,700**	**794,800**	**1,019,700**
	R	**1,857,300**	**1,857,300**	**1,857,300**	**3,929,000**	**3,929,000**	**3,929,000**
GRAND TOTAL ADDITIONAL BUDGET		**2,294,100**	**2,172,300**	**2,294,100**	**4,948,700**	**4,723,800**	**4,948,700**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The institution received a five percent operating reduction on its Fiscal Year 1991-92 revised base, exclusive of debt service, in Fiscal Year 1992-93; in FY 1993-94 a three percent increase was provided. Operation and maintenance funds for new facilities coming on line was provided in the amount of $234,800 in FY 1993-94.Funding was provided in the amount of $315,000 in FY 1992-93 and $560,000 in FY 1993-94 for Rural Health care(SB 239) which reflects Family Practice residency positions and funding for AHECs' as recommended by CHE.

HOUSE REPORT

The House concurs with the Branch Budget Recommendation with the following exception: $121,800 in FY 1992-93 and $224,900 in FY 1993-94 is provided to meet the accountability enhancement provisions of SB109.

SENATE REPORT

The Senate concurs with the Branch recommendation with the following exception: Authorization for expenditure of Restricted funds for planning and design of a Health Science Center Research Building ($3,500,000) in FY 1993-94 is provided.

CONFERENCE REPORT

The Conference concurs with the House with the following exception: the following language is added : Notwithstanding any provision to the contrary, in addition to funds allocated in KRS 138.510, an amount equal to one -twentieth of one percent (.05) of all money wagered at a receiving track on intertrack wagering,deducted from the tax imposed in KRS 138.510 or its successor, shall be credited to the Equine program fund at the University of Louisville.

The following language is added: Via the Quality and Charity Care Trust Agreement. Notwithstanding any other provision of the Act or law, in any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement so agree, the General Fund appropriation to fulfill the Commonwealth's contractual obligation relating to the Quality and Charity Care Trust Agreement or any portion thereof, together with any other funds paid to the Quality and Charity Care Trust per contractual obligation of the parties, or any portion thereof, shall be transferred to the Department for Medicaid Services as part of its Restricted Fund approprition for Benefits. In any fiscal year for which all the parties to the Quality Charity Care Trust Agreement do not agree to transfer all or a portion of the Trust's revenues to the Department of Medicaid Services for Benefits, the Quality and Charity Care Trust shall operate per its contractual provisions.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Higher Education
Agency: **Western Kentucky University**
Unit:

	FY 1991-92 Budget	FY 1992-93 House	Senate	Conference	FY 1993-94 House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	51,412,500	49,413,900	49,682,600	49,733,900	50,814,400	51,050,800	51,145,400
Restricted Funds	45,150,000	46,058,600	46,058,600	46,058,600	47,198,000	47,198,000	47,198,000
Federal Funds	9,558,500	9,558,500	9,558,500	9,558,500	9,558,500	9,558,500	9,558,500
TOTAL FUNDS	**106,121,000**	**105,031,000**	**105,299,700**	**105,351,000**	**107,570,900**	**107,807,300**	**107,901,900**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	62,990,600						
Operating Expenses	21,873,100						
Grants, Loans, Benefits	13,092,800						
Debt Service	5,973,100						
Capital Outlay	2,191,400						
TOTAL EXPENDITURES	**106,121,000**	**105,031,000**	**105,299,700**	**105,351,000**	**107,570,900**	**107,807,300**	**107,901,900**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	51,412,500	49,362,600	49,362,600	49,362,600	50,719,800	50,719,800	50,719,800
Restricted Funds	45,150,000	46,058,600	46,058,600	46,058,600	47,198,000	47,198,000	47,198,000
Federal Funds	9,558,500	9,558,500	9,558,500	9,558,500	9,558,500	9,558,500	9,558,500
TOTAL CURRENT	**106,121,000**	**104,979,700**	**104,979,700**	**104,979,700**	**107,476,300**	**107,476,300**	**107,476,300**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		51,300	320,000	371,300	94,600	331,000	425,600

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	**Fund Source /Subtotal**	**FY 1992-93 House**	**Senate**	**Conference**	**FY 1993-94 House**	**Senate**	**Conference**
1/N Accountability Enhancement funds to meet the provisions of SB 109.	G	51,300		51,300	94,600		94,600

[illegible]	Fund Source		FY 1992-93			FY 1993-94	
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
2/N O & M funding for projects coming on line in the FB 1992-94.	G		320,000	320,000		331,000	331,000
RECAP BY FUND SOURCE	**G**	**51,300**	**320,000**	**371,300**	**94,600**	**331,000**	**425,600**
GRAND TOTAL ADDITIONAL BUDGET		**51,300**	**320,000**	**371,300**	**94,600**	**331,000**	**425,600**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The institution received a five percent operating reduction on its FY 1991-92 revised base, exclusive of debt service, in FY 1992-93; in FY 1993-94 a three percent increase was provided.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the following exception: $51,300 in FY 1992-93 and $94,600 in FY 1993-94 is provided to meet the accountability enhancement provisions of SB 109.

SENATE REPORT

The Senate concurs with the Branch recommendation with the following exception: $320,000 in FY 1992-93 and $331,000 in FY 1993-94 is provided for O&M for projects coming on-line in FB 1992-94.

CONFERENCE REPORT

The Conference concurs with the House and Senate with the following exception: General Fund in the amount of $500,000 is provided for renovation of the Science and Technology Hall in FY 1992-93.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: **HIGHER EDUCATION CABINET**

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**COUNCIL ON HIGHER EDUCATION**										
0	LIFE SAFETY BOND POOL	BF				10,000,000	10,000,000	10,000,000			
0	UNIVERSITY AGENCY FUND BOND POOL	AB				23,000,000	23,000,000	23,000,000			
AGENCY		**TOTAL**				**33,000,000**	**33,000,000**	**33,000,000**			
Bond Fund						10,000,000	10,000,000	10,000,000			
Agency Bond Fund						23,000,000	23,000,000	23,000,000			
AGENCY		**TOTAL**				**33,000,000**	**33,000,000**	**33,000,000**			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY: KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY										
1 COMPUTER PROCESSOR	RF				507,000	507,000	507,000			
2 AUTODIALING EQUIPMENT	RF				206,000	206,000	206,000			
AGENCY	**TOTAL**				**713,000**	**713,000**	**713,000**			
Restricted Fund					713,000	713,000	713,000			
AGENCY	**TOTAL**				**713,000**	**713,000**	**713,000**			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: EASTERN KENTUCKY UNIVERSITY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
15	TRANSMITTER WEKU FM	RF				95,000	95,000	95,000			
16	PROPERTY ACQUISITIONS	RF				1,500,000	1,500,000	1,500,000			
17	UNINTERRUPTABLE POWER SUPPLY	RF				100,000	100,000	100,000			
18	ENVIRONMENTAL CONTROL SYSTEM	RF				50,000	50,000	50,000			
19	LASER GRAPHICS PROJECTOR	RF				80,000	80,000	80,000			
20	CARBON DIOXIDE LASER	RF				94,000	94,000	94,000			
21	X-RAY FLOURESCENCE UNIT	RF							105,000	105,000	105,000
22	FOURIER TRANSFORMER SPECTROMETER	RF				135,000	135,000	135,000			
AGENCY		**TOTAL**				**17,606,600**	**17,606,600**	**17,606,600**	**4,881,000**	**4,881,000**	**4,881,000**
Restricted Fund						17,606,600	17,606,600	17,606,600	4,881,000	4,881,000	4,881,000
AGENCY		**TOTAL**				**17,606,600**	**17,606,600**	**17,606,600**	**4,881,000**	**4,881,000**	**4,881,000**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: EASTERN KENTUCKY UNIVERSITY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	EASTERN KENTUCKY UNIVERSITY										
0	ALUMNI COLISEUM ROOF REPLACEMENT	RF				550,000	550,000	550,000			
1	E & G LIFE SAFETY	RF				2,000,000	2,000,000	2,000,000			
3	PARKING GARAGE	RF				5,000,000	5,000,000	5,000,000			
4	AIR CONDITIONING OF SIX RES. HALLS	RF				1,500,000	1,500,000	1,500,000			
7	CONNECTIVITY	RF				1,500,000	1,500,000	1,500,000			
8	MINOR PROJECTS	RF				3,222,000	3,222,000	3,222,000	4,776,000	4,776,000	4,776,000
9	AUXILIARY LIFE SAFETY *Reauthorization*										
10	BUS	RF				250,000	250,000	250,000			
11	HEAT PLANT BOILER	RF				400,000	400,000	400,000			
12	UTILITY UPGRADE	RF				400,000	400,000	400,000			
13	FIRE SCIENCE BUILDING *Reauthorization*	RF				480,600	480,600	480,600			
14	ACCOUNTING & PAYROLL SYSTEM UPGRADE	RF				250,000	250,000	250,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: KENTUCKY STATE UNIVERSITY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**KENTUCKY STATE UNIVERSITY**										
0	AQUACULTURE FACILITY *Reauthorization*										
0	KAIN FORD PROPERTY ACQUISITION *Reauthorization*										
3	BRADFORD HALL AND ASB LIFE/SAFETY	RF				294,000	294,000	294,000			
4	HUME HALL HVAC REPAIRS/ROOF REPAIR	RF				600,000	600,000	600,000			
5	DEFERRED MAINTENANCE POOL	RF				706,000	706,000	706,000			
6	STUDENT CENTER RENOVATION	RF				2,208,000	2,208,000	2,208,000			
7	JORDAN MAINTENANCE COMPLEX ADDITION	RF				1,250,000	1,250,000	1,250,000			
8	ATHLETIC FACILITY - EXTERIOR RENOV.	RF				350,000	350,000	350,000			
9	AQUACULTURE-LAND BETWEEN THE LAKES	FF				300,000	300,000	300,000			
10	AQUACULTURE POND ADDITION (FKFT.)	FF				500,000	500,000	500,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: KENTUCKY STATE UNIVERSITY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
11	CAMPUS ROADS/WALKS/LANDSCAPING	RF				300,000	300,000	300,000	300,000	300,000	300,000
AGENCY		**TOTAL**				**6,508,000**	**6,508,000**	**6,508,000**	**300,000**	**300,000**	**300,000**
Federal Fund						800,000	800,000	800,000			
Restricted Fund						5,708,000	5,708,000	5,708,000	300,000	300,000	300,000
AGENCY		**TOTAL**				**6,508,000**	**6,508,000**	**6,508,000**	**300,000**	**300,000**	**300,000**

The Conference Committee deauthorizes the $500,000 authorized in FY 1991 by the 1990 General Assembly for the Aquaculture Program facility.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: MOREHEAD STATE UNIVERSITY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**MOREHEAD STATE UNIVERSITY**										
0	HOUSING SYSTEM IMPROVEMENT *Reauthorization*										
0	STUDENT HOUSING PROJECT *Reauthorization*										
1	FIRE/LIFE SAFETY PROJECTS	RF				1,100,000	1,100,000	1,100,000			
2	LAPPIN HALL RENOVATION, PHASE II	RF				4,500,000	4,500,000	4,500,000			
3	PI IN E&G FAC.-ROOF, STRUCTURAL RPS	RF				825,000	825,000	825,000			
4	HWY 60 BYPASS CSTR/PARKING AREA DEV	RF				4,000,000	4,000,000	4,000,000			
5	PI IN E&G FAC.-HVAC, MECH, ELEVATOR	RF				2,805,000	2,805,000	2,805,000			
6	SANITARY SEWER REPLACEMENT	RF				500,000	500,000	500,000			
7	LAND ACQUISITION RELATED CAMPUS MP	RF				1,000,000	1,000,000	1,000,000			
9	CONSTRUCTION PLANT FACILITIES PHS I	RF				300,000	300,000	300,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: **HIGHER EDUCATION CABINET**
AGENCY: **MOREHEAD STATE UNIVERSITY**

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
12	CAMPUS LANDSCAPING/STR REALIGNMENTS	RF							240,000	240,000	240,000
13	COMPUTER INTEGRATED MANUFACTURING	RF				125,000	125,000	125,000			
14	SOFTWARE & HARDWARE UPDATE CAD/CAM	RF				64,000	64,000	64,000			
15	CD ROM TOWERS AND SOFTWARE	RF				65,000	65,000	65,000			
16	LIBRARY LS/2000 AUTOMATION ENHANCE	RF				110,000	110,000	110,000			
17	RESEARCH/CYTOGENETICS MICROSCOPE	RF				70,000	70,000	70,000			
18	ELECTRICAL TRAINING INSTRUCT. EQUIP	RF				80,000	80,000	80,000			
19	DIODE ARRAY/LIQUID CHROMATOGRAPHY	RF				65,000	65,000	65,000			
20	PSYCHONEUROLOGICAL EVALUATION EQUIP	RF				55,000	55,000	55,000			
21	EDUCATION TECHNOLOGY LAB. EQUIPMENT	RF				51,000	51,000	51,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: MOREHEAD STATE UNIVERSITY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
22	MICROBIOLOGY IDENTIFICATION SYSTEM	RF				70,000	70,000	70,000			
23	AUTOMATED LIBRARY SERVICE SYSTEM	RF							71,000	71,000	71,000
24	PAINT SPRAYING ROBOT	RF							80,000	80,000	80,000
25	PHYSICAL SCIENCES MICROSCOPE	RF							100,000	100,000	100,000
26	HIGH-EFF & PURITY GAMMA SPECTOMETER	RF							80,000	80,000	80,000
27	MATERIALS TESTING UNIT	RF							90,000	90,000	90,000
28	INTERACTIVE DISTANCE LEARNING EQUIP	RF				1,500,000	1,500,000	1,500,000			
29	ACADEMIC SYSTEM UPGRADE	RF				240,000	240,000	240,000			
30	MICROCOMPUTERS	RF				1,200,000	1,200,000	1,200,000			
31	FACILITY MNGT./CAD COMPUTER EQUIP.	RF				60,000	60,000	60,000			
32	ADMINISTRATIVE SYSTEM CONVERSION	RF				95,000	95,000	95,000			
33	VIDEO NETWORK	RF				1,950,000	1,950,000	1,950,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: MOREHEAD STATE UNIVERSITY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
34	HIGH SPEED LASER PRINTER	RF				92,000	92,000	92,000			
35	PRINTING EQUIPMENT	RF				640,000	640,000	640,000			
36	BULLDOZER	RF				60,000	60,000	60,000			
37	TOUR BUS	RF				200,000	200,000	200,000			
38	TOUR BUS	RF				330,000	330,000	330,000			
39	MOTOR GENERATOR SYSTEM	RF							94,000	94,000	94,000
40	OPTICAL SCANNING SYSTEM	RF							55,000	55,000	55,000
41	GARBAGE PACKER TRUCK	RF							55,000	55,000	55,000
42	NETWORK SERVER	RF				480,000	480,000	480,000			
AGENCY	**TOTAL**					**22,632,000**	**22,632,000**	**22,632,000**	**865,000**	**865,000**	**865,000**
Restricted Fund						22,632,000	22,632,000	22,632,000	865,000	865,000	865,000
AGENCY	**TOTAL**					**22,632,000**	**22,632,000**	**22,632,000**	**865,000**	**865,000**	**865,000**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: MURRAY STATE UNIVERSITY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	MURRAY STATE UNIVERSITY										
1	FIRE/LIFE SAFETY E & G FACILITIES	RF				1,401,000	1,401,000	1,401,000			
2	BLACKBURN SCIENCE RENOVATION	RF				10,800,000	10,800,000	10,800,000			
3	HIGH RISE FIRE EQUIPMENT (TRUCK)	RF				600,000	600,000	600,000			
5	HIGH PRIORITY ROOF REPLACEMENTS	RF				500,000	500,000	500,000			
6	EXPO CENTER RENOVATION	RF				500,000	500,000	500,000			
7	INFRASTRUCTURE E&G MINOR PROJECTS	RF				177,000	177,000	177,000	618,000	618,000	618,000
8	TELELEARNING NETWORK	RF				436,000	436,000	436,000			
9	ELECTROPHORESIS SYSTEM	RF				50,000	50,000	50,000			
10	AUTOMATED SUSCEPTIBILITY SYSTEM	RF				70,000	70,000	70,000			
11	ELECTRON MICROSCOPE (TRANSMISSION)	RF				175,000	175,000	175,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: MURRAY STATE UNIVERSITY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
13	OLD FINE ARTS BUILDING RENOVATION *Reauthorization*										
14	BREATHITT VETERINARY HVAC REPLACEMT *Reauthorization*										
15	REPL. UNDERGROUND STEAM & CONDENSAT *Reauthorization*										
18	LIBRARY ONLINE SYSTEM MINI-COMPUTER	RF				286,000	286,000	286,000			
19	MINOR PROJECTS POOL E&G FACILITIES	RF				877,000	877,000	877,000	813,000	813,000	813,000
20	MINOR PROJECTS POOL H&D FACILITIES	RF				500,000	500,000	500,000	496,000	496,000	496,000
21	BUSINESS INTERACTIVE TV CENTER	RF				300,000	300,000	300,000			
22	BUSINESS RENOVATION - FIRST FLOOR	RF				200,000	200,000	200,000			
23	WINSLOW CAFETERIA RENOVATION *Reauthorization*	RF							32,000	32,000	32,000
24	STEWART STADIUM TURF *Reauthorization*	RF							50,000	50,000	50,000

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: MURRAY STATE UNIVERSITY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
25	FRONT END LOADER	RF				60,000	60,000	60,000			
26	FARM TRACTORS	RF							51,000	51,000	51,000
27	TV STUDIO EQUIPMENT REPLACEMENT	RF							61,000	61,000	61,000
28	RECORDING/PLAYBACK LAB, ETC.	RF							165,000	165,000	165,000
30	NATIONAL SCOUTING MUSEUM OF BSA *Reauthorization*										
31	EXPOSITION CENTER ROOF REPLACEMENT *Reauthorization*										
AGENCY		**TOTAL**				**16,932,000**	**16,932,000**	**16,932,000**	**2,286,000**	**2,286,000**	**2,286,000**
Restricted Fund						16,932,000	16,932,000	16,932,000	2,286,000	2,286,000	2,286,000
AGENCY		**TOTAL**				**16,932,000**	**16,932,000**	**16,932,000**	**2,286,000**	**2,286,000**	**2,286,000**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: NORTHERN KENTUCKY UNIVERSITY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**NORTHERN KENTUCKY UNIVERSITY**										
1	CERAMICS/SCULPTURE BUILDING	RF							1,500,000	1,500,000	1,500,000
2	NATURAL SCIENCE BUILDING	RF				1,500,000	1,100,000				
3	E&G BUILDINGS ROOF REPLACEMENTS (4)	RF				600,000	600,000	600,000			
4	MINOR E&G PROJECTS POOL	RF				600,000	600,000	600,000			
5	NUNN HALL CHILLER REPLACEMENT	RF				250,000	250,000	250,000			
6	LAND ACQUISITION	RF							1,500,000	1,500,000	1,500,000
8	RESIDENTIAL VILLAGE-LEASE/PURCHASE	RF				351,000	351,000	351,000	1,120,000	1,120,000	1,120,000
9	ULTRACENTRIFUGE	RF				56,000	56,000	56,000			
10	HIGH SPEED COPIER/FINISHER	RF				180,000	180,000	180,000			
11	POINT-OF-SALE SYSTEM	RF				26,000	130,000	130,000	26,000		
12	DIRECT ACCESS STORAGE DEVICE	RF				310,000	310,000	310,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: NORTHERN KENTUCKY UNIVERSITY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
13	MAGNETIC TAPE DRIVES	RF				280,000	280,000	280,000			
14	DATA COMMUNICATIONS/VOICE MAIL	RF				59,000	295,000	295,000	59,000		
15	LASER PRINTER	RF				80,000	80,000	80,000			
16	ID CARD MANAGEMENT SYSTEM	RF				80,000	80,000	80,000			
AGENCY		**TOTAL**				**4,372,000**	**4,312,000**	**3,212,000**	**4,205,000**	**4,120,000**	**4,120,000**
Restricted Fund						4,372,000	4,312,000	3,212,000	4,205,000	4,120,000	4,120,000
AGENCY		**TOTAL**				**4,372,000**	**4,312,000**	**3,212,000**	**4,205,000**	**4,120,000**	**4,120,000**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1591-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**UNIVERSITY OF KENTUCKY**										
0	STADIUM PARKING LOT RENOVATION	RF	850,000	850,000	850,000						
1	COOLING PLANTS REPAIR/REPL. PH.I	AB	3,600,000	3,600,000	3,600,000						
2	RESIDENCE HALLS RENOVATION	AB	2,866,000	2,866,000	2,866,000						
3	MEDICAL RESEARCH SPACE CONSTRUCTION	AB	5,500,000	5,500,000	5,500,000						
4	LIFE SAFE./ENV. HEA./HANDIC. ACCESS	RF				18,166,000	18,166,000	18,166,000			
5	PATTERSON BLDG ELEVATORS PHASE II	RF				800,000	800,000	800,000			
6	ACCREDITATION REQ. - ARCHITECTURE	RF				7,100,000	7,100,000	7,100,000			
7	ROOF REPLACEMENTS	RF				1,888,000	1,888,000	1,888,000			
8	RENOVATION OF HISTORIC BUILDINGS	RF				11,540,000	11,540,000	11,540,000			
9	MEMORIAL COLISEUM RENOVATION	RF				1,750,000	1,750,000	1,750,000			
10	KING ALUMNI RENOVATION	RF				283,000	283,000	283,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
11	SHIVELY RENOVATION	RF				1,400,000	1,400,000	1,400,000			
12	DEFERRED MAINTENANCE	RF				5,720,000	5,720,000	5,720,000			
13	AG/SCI. SOUTH - ANIMAL CARE UPGRADE	RF				700,000	700,000	700,000			
14	COMMUN. DISORDERS PROGRAM SPACE	RF				400,000	400,000	400,000			
15	LEASE-RURAL HEALTH INITIATIVE FAC.	RF				260,000	260,000	260,000	273,000	273,000	273,000
16	HIGH VOLUME COPIER	RF				146,000	146,000	146,000			
17	ULTRACENTRIFUGE WITH ROTOR HEADS	RF				80,000	80,000	80,000			
18	HYBRID 400 AMU MS/MS MODULE	RF				200,000	200,000	200,000			
19	INDUCT. COUPLED PLASMA MASS SPECTR.	RF				300,000	300,000	300,000			
20	HIGH RESOLUTION MASS SPECTROMETER	RF				776,000	776,000	776,000			
21	THERMOSPRAY EXTENDED MASS RANGE	RF				175,000	175,000	175,000			
22	SHALLOW AUGER & CORE DRILL RIG	RF				100,000	100,000	100,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
23	OXIDIZER/SCINTILLATION SPECTROMETER	RF				55,000	55,000	55,000			
24	LS/MS CESIUM ION GUN SOURCE	RF				50,000	50,000	50,000			
25	MASS SPECTROMETRY	RF				375,000	375,000	375,000			
26	SERIES 2 BRIDGEPORT VERTICAL MILL	RF				75,000	75,000	75,000			
27	SD/FI MASS SPECTROMETER UPGRADE	RF				90,000	90,000	90,000			
28	ISOTOPE MASS SPECTROMETER	RF				285,000	285,000	285,000			
29	LIGHTING SYSTEM	RF				237,000	237,000	237,000			
30	CONCEPT 4 SECTOR EXPANSION MODULE	RF				450,000	450,000	450,000			
31	MOSSBAVER SPECTROMETER	RF				75,000	75,000	75,000			
32	CELL CULTURE TRANSFORMATION UNIT	RF				80,000	80,000	80,000			
33	CONSOLE UPGRADE	RF				50,000	50,000	50,000			
34	LASER BASED ADV PROC/MAT ANALYZ	RF				154,000	154,000	154,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
35	COMPTON SUPRESSED GERMANIUM DETECT.	RF				80,000	80,000	80,000			
36	CONCEPT HYBRID 2000 AMU MS/MS MOD.	RF				160,000	160,000	160,000			
37	IN-SITU X-RAY DIFFRACTION	RF				175,000	175,000	175,000			
38	AUTOMATED MICROINJECTION SYSTEM	RF				96,000	96,000	96,000			
39	THERMOSPRAY	RF				65,000	65,000	65,000			
40	GAS CHROMATOGRAPH/MASS SPECTROMETER	RF				65,000	65,000	65,000			
41	BETASCOPE 603 BLOT ANALYZER SYSTEM	RF				79,000	79,000	79,000			
42	OPTICAL FIBER	RF				60,000	60,000	60,000			
43	IMAGE ANALYSIS SYSTEM	RF				75,000	75,000	75,000			
44	ULTRAMICROTOME/ACCESSORIES	RF				55,000	55,000	55,000			
45	CIRCULAR DECHROISM	RF				125,000	125,000	125,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
46	AXS AUTOMATIC X-RAY SPECTROMETER	RF				100,000	100,000	100,000			
47	RECORDING STUDIO EQUIPMENT	RF				127,000	127,000	127,000			
48	FOURIER TI SPECTROMETER	RF				70,000	70,000	70,000			
49	X-RAY POWDER DIFFRACTOMETER SYSTEM	RF				190,000	190,000	190,000			
50	AUTOMATED DNA ANALYSIS SYSTEM	RF				98,000	98,000	98,000			
51	DUAL BEAM SPECTROFLUOROMETER	RF				55,000	55,000	55,000			
52	SCANNING ELECTRON MICROSCOPE	RF				146,000	146,000	146,000			
53	VIBRATING SAMPLE MAGNETOMETER	RF				110,000	110,000	110,000			
54	IR SPECTROMETER	RF				100,000	100,000	100,000			
55	X-RAY FLUORESCENCE SYSTEM	RF				175,000	175,000	175,000			
56	PREP HS CENTRIFUGE WITH ROTORS	RF				70,000	70,000	70,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
57	CADMIUM TELLURIDE SPECTROMETER	RF				60,000	60,000	60,000			
58	MARQUEE FOR SINGLETARY CTR.	RF				100,000	100,000	100,000			
59	CELL SORTER (M&I)	RF				202,000	202,000	202,000			
60	ATOMIC ABSORPTION SPECTROPHOTOMETER	RF				75,000	75,000	75,000			
61	HIGH PRESSURE LIQUID CHROMATOGRAPH	RF				51,000	51,000	51,000			
62	GAS CHROMATOGRAPH MASS SPECTROMETER	RF				60,000	60,000	60,000			
63	CRYOLATHE	RF				51,000	51,000	51,000			
64	LOG SKIDDER	RF				70,000	70,000	70,000			
65	BIOCHEMICAL COUNTER	RF				51,000	51,000	51,000			
66	ENVIR. CONTROLLED COOKER/PROCESSOR	RF				60,000	60,000	60,000			
67	IMAGING SYSTEM FOR MRISC	RF				56,000	56,000	56,000			
68	X RAY LAUE UNIT-SINGLE CRYSTAL	RF				150,000	150,000	150,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
69	PATHOLOGY MICROSCOPE	RF							80,000	80,000	80,000
70	ULTRACENTRIFUGE AND ROTORS	RF				55,000	55,000	55,000			
71	DENTAL LASER SYSTEM	RF				60,000	60,000	60,000			
72	VISION SYSTEM	RF				53,000	53,000	53,000			
73	AUDIOLOGY DIAGNOSTIC SYSTEM	RF				55,000	55,000	55,000			
74	DUAL OVEN CAPILLARY GAS CHROMATOGRA	RF				65,000	65,000	65,000			
75	EMG PHYSIOLOGY WORKSTATION	RF				50,000	50,000	50,000			
76	BETASCOPE BLOT ANALYZER	RF				59,000	59,000	59,000			
77	MASS SPECTROPHOTOMETER	RF				66,000	66,000	66,000			
78	HIGH TEMP. OPTICAL MICROSCOPE	RF				105,000	105,000	105,000			
79	METABOLIC CART W/CANOPY	RF				55,000	55,000	55,000			
80	PHOTO LIGHT MICROSCOPE	RF				50,000	50,000	50,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
81	DIAG. IMAGING PHYSIC TRAINING SYS.	RF				61,000	61,000	61,000			
82	MASS SPECTROPHOTOMETER	RF				60,000	60,000	60,000			
83	130 BIOMECHANICAL SYSTEM	RF				66,000	66,000	66,000			
84	ON-LINE MONITOR-RADIOACTIV. GC-HPLC	RF				51,000	51,000	51,000			
85	ULTRACENTRIFUGE	RF				55,000	55,000	55,000			
86	JOINTED ARM ROBOT & CONTROL SYSTEM	RF				67,000	67,000	67,000			
87	GAS CHRON. & NITROGEN PHOSPHORUS DT	RF				56,000	56,000	56,000			
88	AUTO. HEMATOLOGY SYSTEM, COULTER JR	RF				85,000	85,000	85,000			
89	WHOLE BODY COMPOSITION ANALYZER	RF				136,000	136,000	136,000			
90	20 W AR-ION LASER	RF				65,000	65,000	65,000			
91	LASER EXTENSOMETER 3000 & ACCESS.	RF				55,000	55,000	55,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
92	EMERGENCY RESPONSE COMMUNIC. SYSTEM	RF				550,000	550,000	550,000			
93	SUPERCOMPUTER UPGRADE	RF					7,000,000	7,000,000			
95	INSTRUCTIONAL COMPUTER UPGRADE	RF				400,000	400,000	400,000			
96	DEPARTMENT COMPUTER SYSTEMS	RF				950,000	950,000	950,000	75,000	75,000	75,000
97	IMAGING SYSTEMS	RF				300,000	300,000	300,000	150,000	150,000	150,000
98	PRINTING SYSTEMS AND SERVICES	RF				203,000	203,000	203,000			
99	SATELLITE DIGITAL VIDEO	RF				52,000	52,000	52,000			
100	ROUTING SWITCHER	RF				51,000	51,000	51,000			
101	POSTAL SORTING EQUIPMENT	RF				300,000	300,000	300,000			
102	MINICOMPUTER UPGRADE	RF				125,000	125,000	125,000			
103	VMX UPGRADE	RF				185,000	185,000	185,000			
104	STORAGE MANAGEMENT SYSTEM	RF				800,000	800,000	800,000	500,000	500,000	500,000

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
105	SUN 3/60 UPGRADE	RF				125,000	125,000	125,000			
106	HIGH VOLUME COPIER - LEASE	RF				27,000	54,000	54,000	27,000		
107	PRINTING SYSTEMS	RF							200,000	200,000	200,000
108	HOLOGRAPHIC SYSTEM W/IMAGE ANALYZER	RF				110,000	110,000	110,000			
109	CONTRL. ATMOSPHERE SINTERING FURN.	RF				60,000	60,000	60,000			
110	40 TON TESTING MACHINE	RF				77,000	77,000	77,000			
111	CD ROM SYSTEM FOR AGRICULTURE	RF				60,000	60,000	60,000			
112	INTERACTIVE INFO SYSTEM FOR AG	RF				70,000	70,000	70,000			
113	NSF FILESERVER FOR ARTS & SCIENCES	RF				150,000	150,000	150,000			
114	DEPT COMPUTER UPGRADE FOR A&S	RF				225,000	225,000	225,000			
115	DEC SERVER FOR ARTS AND SCIENCES	RF				70,000	70,000	70,000			
116	NETWORK UPGRADE FOR ARTS & SCIENCES	RF				60,000	60,000	60,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
117	RESEARCH DEPT PROCESSOR FOR ENGR	RF				125,000	125,000	125,000			
118	CD - ROM SERVERS FOR ENGINEERING	RF				120,000	120,000	120,000			
119	RESEARCH WORKSTATIONS FOR ENGR.	RF				325,000	325,000	325,000			
120	OPTICAL DISK SERVER FOR ENGINEERING	RF				180,000	180,000	180,000			
121	DEPT PROCESSOR AUXILIARY SERVICES	RF				63,000	63,000	63,000			
122	OPTICAL DISK JUKEBOX SYSTEM	RF				180,000	180,000	180,000			
123	LARGE FORMAT COLOR SCANNER	RF				60,000	60,000	60,000			
124	INCREASE DISK DRIVE CAPACITY	RF				80,000	80,000	80,000			
125	CAD/CAM SYSTEM FOR COLL. OF DENT.	RF				184,000	184,000	184,000			
126	STEAM AUTOCLAVE & CART	RF							86,000	86,000	86,000
127	UV/VISIBLE SPECTROPHOTOMETER	RF							65,000	65,000	65,000

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
128	ETHELENE OXIDE STERILIZER	RF							98,000	98,000	98,000
129	MILD.-TEMP. CARBON SYN. REACTOR	RF							130,000	130,000	130,000
130	CENTRIFUGE	RF							51,000	51,000	51,000
131	RESEARCH COMPUTING UPGRADE	RF							650,000	650,000	650,000
132	FRONT END PROCESSOR	RF							300,000	300,000	300,000
133	SATELLITE TRANSMITTER	RF							175,000	175,000	175,000
134	CAMPUS PREPRESS FILESERVER	RF							140,000	140,000	140,000
135	DIGITAL VIDEO SWITCHER	RF							60,000	60,000	60,000
136	COPIER UPGRADE FOR KING SOUTH	RF							80,000	80,000	80,000
137	PLOTTER FOR ENGINEERING	RF							50,000	50,000	50,000
138	DEPT. PROCESSOR FOR ENGINEERING	RF							100,000	100,000	100,000
139	DEPT. PROCESSOR FOR STUDENT AFFAIRS	RF							50,000	50,000	50,000

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY

03/30/92

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
140	TELEPHONE REGISTRATION PROCESSOR	RF							85,000	85,000	85,000
141	OPTICAL DISK RECORD STORAGE	RF							60,000	60,000	60,000
142	DEPT. PROCESSOR FOR EXTENSION	RF							200,000	200,000	200,000
143	IMAGE WORKSTATIONS & PRINTERS	RF							90,000	90,000	90,000
144	MINICOMPUTER UPGRADE	RF							500,000	500,000	500,000
145	TELECOMMUNICATIONS PROCESSORS	RF							100,000	100,000	100,000
146	MINICOMPUTER SYSTEM	RF							150,000	150,000	150,000
147	VAX COMPUTER FOR COLL. OF PHARMACY	RF				150,000	150,000	150,000			
148	VAX WORKSTATIONS FOR COLL. OF PHARM	RF				100,000	100,000	100,000			
149	SUPER MINICOMPUTER	RF				1,040,000	1,040,000	1,040,000			
150	COMPRESSED VIDEO (HAZARD)	RF				125,000	125,000	125,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
151	COMPRESSED VIDEO (MOREHEAD)	RF				125,000	125,000	125,000			
152	COMPRESSED VIDEO (BOWLING GREEN)	RF							50,000	50,000	50,000
153	PROTEIN SEQUENCER - MOL. BIO. & BIO	RF				76,000	76,000	76,000			
154	PEPTIDE SYNTHESIZER	RF				61,000	61,000	61,000			
155	DNA SEQUENCER	RF				191,000	191,000	191,000			
156	FERMENTATION APPARATUS (200L)	RF							201,000	201,000	201,000
157	AMINO ACID ANALYZER	RF							100,000	100,000	100,000
158	ULTRACENTRIFUGE	RF				60,000	60,000	60,000			
159	ULTRACENTRIFUGE W/ROTOR	RF							120,000	120,000	120,000
160	DNA SYNTHESIZER	RF				71,000	71,000	71,000			
161	CENTRAL LIBRARY	RF BF				12,000,000		12,000,000		12,000,000 46,000,000	
162	COOLING PLANT #1 PRIMARY PUMPING	RF				600,000	600,000	600,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY

03/30/92

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
163	AGRICULTURE CHILLED WATER MAIN	RF				850,000	850,000	850,000			
165	ELECTRICAL SUBSTATION #1 SWITCHING	RF				500,000	500,000	500,000			
166	CONNECTION OF COOLING #1 & #3	RF				290,000	290,000	290,000			
167	LIMESTONE CHILLED WATER MAIN	RF							1,100,000	1,100,000	1,100,000
168	COOLING PLANT #1 EXPANSION	RF				7,000,000	7,000,000	7,000,000			
169	STEAM LINE EXPANSION ROSE STREET	RF							600,000	600,000	600,000
170	NORTH CAMPUS CHILLED WATER MAIN	RF							2,000,000	2,000,000	2,000,000
171	4KV TO 12KV ELECTRICAL CONVERSION	RF				1,500,000	1,500,000	1,500,000			
172	ENERGY CONSERVATION (EMS)	RF				500,000	500,000	500,000			
173	PESTICIDE STORAGE/PREP-CALDWELL CO. *Reauthorization*	RF				221,000	221,000	221,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: **HIGHER EDUCATION CABINET**
AGENCY: **UNIVERSITY OF KENTUCKY**

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
174	TENNIS STADIUM	RF				1,576,000	1,576,000	1,576,000			
175	PESTICIDE STORAGE/PREP-FAYETTE CO. *Reauthorization*	RF				221,000	221,000	221,000			
176	CAREER PLANNING & PLACEMENT CENTER *Reauthorization*	RF				605,000	605,000	605,000			
177	DEVELOPMENT ADDITION	RF				465,000	465,000	465,000			
180	MECHANICAL ENGINEERING BUILDING	RF								873,000	
183	HAZARDOUS MATERIALS FACILITY	RF				1,600,000	1,600,000	1,600,000			
186	PLAZA ORTHOPEDICS RENOVATION *Reauthorization*	RF				750,000	750,000	750,000			
187	PLAZA GENERAL MEDICINE RENOVATION *Reauthorization*	RF				400,000	400,000	400,000			
188	HOUSING/DINING-LS/EH/HAND ACCESS.	RF				353,000	353,000	353,000			
189	FRATERNITY/SORORITY-LS/EH/HAND ACC.	RF				600,000	600,000	600,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
190	KEENELAND HALL WINDOWS	RF				208,000	208,000	208,000			
198	PARKING STRUCTURE *Reauthorization*										
199	LAND ACQUISITION *Reauthorization*										
200	LAND ACQUISITION *Reauthorization*										
201	FRATERNITY/SORORITY RENOVATION *Reauthorization*										
202	SCOVELL HALL RENOVATION *Reauthorization*										
203	REYNOLDS WAREHOUSE #1 *Reauthorization*										
204	COLDSTREAM RES. CAMPUS INFR. PH. I	RF				407,000	407,000	407,000	818,300	818,300	818,300

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
205	LEASED SPACE - COLLEGE OF PHARMACY	RF				130,000	130,000	130,000	275,000	275,000	275,000
	AGENCY	**TOTAL**	**12,816,000**	**12,816,000**	**12,816,000**	**97,494,000**	**92,521,000**	**104,521,000**	**9,789,300**	**68,635,300**	**9,762,300**
	Restricted Fund		850,000	850,000	850,000	97,494,000	92,521,000	104,521,000	9,789,300	22,635,300	9,762,300
	Bond Fund									46,000,000	
	Agency Bond Fund		11,966,000	11,966,000	11,966,000						
	AGENCY	**TOTAL**	**12,816,000**	**12,816,000**	**12,816,000**	**97,494,000**	**92,521,000**	**104,521,000**	**9,789,300**	**68,635,300**	**9,762,300**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY COMMUNITY COLLEGE SYSTEM

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	UNIVERSITY OF KENTUCKY COMMUNITY COLLEGE SYSTEM										
1	LIFE SAFE./ENV. HEALTH/HAN. ACCESS	RF				3,310,000	3,310,000	3,310,000			
2	BROADWAY BLDG-RENOV 1ST FL (JEFF)	RF				260,000	260,000	260,000			
3	OSWALD BLDG - ROOF REPLACE (LEX)	RF				465,000	465,000	465,000			
4	WALLER/ROSENTHAL HVAC RENOV (PADUC)	RF				435,000	435,000	435,000			
5	NEWMAN HALL RENOVATION (SOUTHEAST)	RF				400,000	400,000	400,000			
6	ADMIN BLDG RENOVATION (MAYSVILLE)	RF							400,000	400,000	400,000
7	RENOV LEARN RESOURCE CTR (MADISONV)	RF							300,000	300,000	300,000
8	ADMIN BLDG RENOVATION (HENDERSON)	RF							400,000	400,000	400,000
9	STUDENT/AUDITOR PARKING (MADISONV)	RF				520,000	520,000	520,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY COMMUNITY COLLEGE SYSTEM

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
10	STUDENT/P.ARTS/ CONF.CTR. (HAZARD)	RF						2,000,000			
		CC							750,000	750,000	750,000
11	CLASSROOM BUILDING (ASHLAND)	CC							310,000	310,000	310,000
13	CARSON HALL RENOVATION (PADUCAH)	RF							2,300,000	2,300,000	2,300,000
15	CRISP BUILDING RENOVATION (PADUCAH)	RF				500,000	500,000	500,000			
16	UPGRADE AS-400 MINICOMPUTER	RF				125,000	125,000	125,000			
17	MINICOMPUTER (JEFFERSON SW)	RF							200,000	200,000	200,000
18	MINICOMPUTER (SOMERSET)	RF				200,000	200,000	200,000			
19	MINICOMPUTER (ELIZABETHTOWN)	RF							200,000	200,000	200,000
20	COMMUNICATION SYSTEM (MADISONVILLE)	RF				95,000	95,000	95,000			
21	COMMUNICATION SYSTEM (HOPKINSVILLE)	RF				95,000	95,000	95,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY COMMUNITY COLLEGE SYSTEM

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
22 LEASED SPACE (LEXINGTON)	RF				270,000	270,000	270,000	270,000	270,000	270,000
AGENCY	**TOTAL**				**6,675,000**	**6,675,000**	**8,675,000**	**5,130,000**	**5,130,000**	**5,130,000**
Restricted Fund					6,675,000	6,675,000	8,675,000	4,070,000	4,070,000	4,070,000
Capital Construction Surplus								1,060,000	1,060,000	1,060,000
AGENCY	**TOTAL**				**6,675,000**	**6,675,000**	**8,675,000**	**5,130,000**	**5,130,000**	**5,130,000**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY HOSPITAL

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**UNIVERSITY OF KENTUCKY HOSPITAL**										
1	SAFETY/ENVIRONMENTAL PROTECTION I	RF				2,700,000	2,700,000	2,700,000			
2	MARKEY 4	RF				4,200,000	4,200,000	4,200,000			
3	VACATED LABOR AND DELIVERY SUITE	RF				1,100,000	1,100,000	1,100,000			
4	ENDOSCOPY SUITE	RF				1,200,000	1,200,000	1,200,000			
5	DIAGNOSTIC SERVICES III *Reauthorization*										
6	INCINERATOR	RF				1,600,000	1,600,000	1,600,000			
7	PRIMARY POWER/EMERGENCY POWER *Reauthorization*	RF				300,000	300,000	300,000			
8	NURSING UNIT MODIFICATION IV	RF							550,000	550,000	550,000
9	TRANSPORTATION SYSTEMS I	RF				500,000	500,000	500,000			
10	CARDIAC CATHETERIZATION	RF				2,100,000	2,100,000	2,100,000			
11	NUCLEAR MEDICINE	RF				1,600,000	1,600,000	1,600,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY HOSPITAL

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
12	RADIATION MEDICINE	RF				2,100,000	2,100,000	2,100,000			
13	DATA MANAGEMENT	RF							220,000	220,000	220,000
14	DIAGNOSTIC SERVICES UPGRADE V	RF							650,000	650,000	650,000
15	NEUROANGIOGRAPHY EQUIPMENT	RF				2,550,000	2,550,000	2,550,000			
16	LINEAR ACCELERATOR	RF				2,150,000	2,150,000	2,150,000			
17	CARDIAC LASER	RF				250,000	250,000	250,000			
18	MULTI PHASIC CHEMISTRY ANALYZER	RF				250,000	250,000	250,000			
19	ENDOSCOPIC ULTRASOUND	RF				300,000	300,000	300,000			
20	CARDIAC CATH LAB	RF				2,400,000	2,400,000	2,400,000			
21	ELECTROPHYSIOLOGY LAB	RF				450,000	450,000	450,000			
22	PORTABLE FLUOROSCOPY	RF				150,000	150,000	150,000			
23	FLUOROSCOPIC UNIT	RF				550,000	550,000	550,000			
24	ECHO UNIT	RF				200,000	200,000	200,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY HOSPITAL

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
25	NEUROLOGY EMG EEG ANALYZER	RF				175,000	175,000	175,000			
26	HOLTER SYSTEM	RF				100,000	100,000	100,000			
27	CT SCANNER	RF				1,600,000	1,600,000	1,600,000			
29	DISK UPGRADE	RF				950,000	950,000	950,000			
30	CLINICAL LABORATORY SYSTEM	RF				2,000,000	2,000,000	2,000,000			
31	MATERIALS MANAGEMENT SYSTEM	RF				400,000	400,000	400,000			
32	TIME & ATTENDANCE RECORD	RF				320,000	320,000	320,000			
33	UPGRADE TELECOMMUNICATIONS CABLING	RF				700,000	700,000	700,000			
34	TAPE UPGRADE	RF				300,000	300,000	300,000			
35	PRINTING CAPACITY UPGRADE	RF				440,000	440,000	440,000			
36	EXPAND DECISION SUPPORT	RF				500,000	500,000	500,000			
37	NURSING INFORMATION SYSTEMS	RF				2,500,000	2,500,000	2,500,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY HOSPITAL

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
39	AUTOMATED URINALYSIS SYSTEM	RF				200,000	200,000	200,000			
40	NUCLEAR MEDICINE CAMERA	RF				300,000	300,000	300,000			
41	ULTRASOUND SCANNER	RF				320,000	320,000	320,000			
42	INTRAVASCULAR ULTRASOUND	RF				150,000	150,000	150,000			
43	SURGICAL LASER	RF				200,000	200,000	200,000			
44	SURGICAL MICROSCOPE	RF				150,000	150,000	150,000			
45	RADIOGRAPHIC UNIT	RF				330,000	330,000	330,000			
46	HEMATOLOGY ANALYZER	RF				300,000	300,000	300,000			
47	AUTOMATED MICROBIOLOGY SYSTEM	RF				150,000	150,000	150,000			
48	RADIOGRAPHIC GENERATOR	RF				200,000	200,000	200,000			
49	HEART STATION	RF				100,000	100,000	100,000			
50	VASCULAR ULTRASOUND	RF				400,000	400,000	400,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY HOSPITAL

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
51	TREATMENT PLANNING SYSTEM	RF				780,000	780,000	780,000			
52	TRANSESOPHOGEAL COLOR ECHO DOPPLER	RF				200,000	200,000	200,000			
53	DIAGNOSTIC RADIOLOGY UNIT	RF				250,000	250,000	250,000			
54	TOXICOLOGY ANALYZER	RF				100,000	100,000	100,000			
55	RADIOLOGY FILM PROCESSING UNIT	RF				160,000	160,000	160,000			
56	PHARMACEUTICAL AUTO DISPENSING UNIT	RF				200,000	200,000	200,000			
57	COBALT UNIT	RF				470,000	470,000	470,000			
58	AEROMEDICAL HELICOPTER	RF				1,500,000	1,500,000	1,500,000			
59	AMBULANCE-EMERG. TRANSPORT VEHICLE	RF				120,000	120,000	120,000			
60	GENERAL ANGIOGRAPHY SYSTEM	RF							1,950,000	1,950,000	1,950,000
61	LINEAR ACCELERATOR	RF							1,650,000	1,650,000	1,650,000
62	AUTOMATED CYTOGENETIC SYSTEM	RF							120,000	120,000	120,000

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY HOSPITAL

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
63	OB DIAGNOSTIC SYSTEM	RF							300,000	300,000	300,000
64	NEUROLOGIC DIAGNOSTIC EQUIPMENT	RF							200,000	200,000	200,000
65	RADIOGRAPHIC UNIT	RF							250,000	250,000	250,000
66	DIAGNOSTIC ULTRASOUND	RF							250,000	250,000	250,000
67	VASCULAR DIAGNOSTIC EQUIPMENT	RF							200,000	200,000	200,000
68	SURGICAL MICROSCOPE	RF							150,000	150,000	150,000
69	ENDOSCOPIC ULTRASOUND	RF							250,000	250,000	250,000
70	MULTIPHASIC CHEMISTRY ANALYZER	RF							200,000	200,000	200,000
71	EMERGENCY GENERATOR	RF							400,000	400,000	400,000
72	CARDIAC ECHO SYSTEM	RF							300,000	300,000	300,000
73	LABORATORY AUTOMATED ANALYZER	RF							200,000	200,000	200,000
74	FLUOROSCOPIC UNIT	RF							700,000	700,000	700,000

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY HOSPITAL

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
75	DISK UPGRADE	RF							550,000	550,000	550,000
76	MASS STORAGE DEVICE	RF							300,000	300,000	300,000
77	NURSING INFORMATION SYSTEMS EXPAN.	RF							500,000	500,000	500,000
78	EXPAND DECISION SUPPORT	RF							500,000	500,000	500,000
79	CLINICAL INFORMATION SYSTEM	RF							1,200,000	1,200,000	1,200,000
80	UPGRADE TELECOMMUNICATIONS CABLING	RF							300,000	300,000	300,000
81	TAPE CAPACITY UPGRADE	RF							100,000	100,000	100,000
82	PATIENT COLLECTION SYSTEM	RF							170,000	170,000	170,000
83	CT SCANNER	RF							1,650,000	1,650,000	1,650,000
84	NUCLEAR MEDICINE CAMERA	RF							480,000	480,000	480,000
85	ENDOSCOPIC SYSTEM	RF							100,000	100,000	100,000
86	HEMATOLOGY ANALYZER	RF							300,000	300,000	300,000

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY HOSPITAL

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
87	AUTOMATED MICROBIOLOGY SYSTEM	RF							200,000	200,000	200,000
88	TOXICOLOGY ANALYZER	RF							150,000	150,000	150,000
89	HYPERBARIC CHAMBER	RF							150,000	150,000	150,000
90	HYPERTHERMIA UNIT	RF							250,000	250,000	250,000
92	INCINERATOR UPGRADE	RF							250,000	250,000	250,000
93	3-D IMAGING SYSTEM	RF							300,000	300,000	300,000
94	BUILDING AND SITE UPGRADE I	RF							430,000	430,000	430,000
96	MATERIALS HANDLING/DISTRIBUTIO N	RF				800,000	800,000	800,000			
97	CRITICAL CARE CENTER SHELL	RF				6,400,000	6,400,000	6,400,000			
98	LIMITED STAY FACILITY	RF							2,700,000	2,700,000	2,700,000
100	OUTPATIENT SURGERY CENTER	RF							3,200,000	3,200,000	3,200,000
102	OUTPATIENT SCREENING FACILITY	RF							1,600,000	1,600,000	1,600,000

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF KENTUCKY HOSPITAL

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
103 IMPLEMENTATION OF LAND USE PLAN	RF				2,100,000	2,100,000	2,100,000			
104 HOUSESTAFF QUARTERS	RF				600,000	600,000	600,000			
AGENCY	**TOTAL**				**53,115,000**	**53,115,000**	**53,115,000**	**23,920,000**	**23,920,000**	**23,920,000**
Restricted Fund					53,115,000	53,115,000	53,115,000	23,920,000	23,920,000	23,920,000
AGENCY	**TOTAL**				**53,115,000**	**53,115,000**	**53,115,000**	**23,920,000**	**23,920,000**	**23,920,000**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF LOUISVILLE

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	UNIVERSITY OF LOUISVILLE										
1	"K" BLDG.-LIFE/SAFETY (PHASE I)	RF				2,552,000	2,552,000	2,552,000			
2	CHEMISTRY BLDG. VENTILATION SYSTEM	RF				249,000	249,000	249,000			
3	LIFE SAFETY, ACCESSIBILITY IMP.	RF							9,877,000	9,877,000	9,877,000
4	NATURAL SCI.- REBUILD PARAPET WALLS	RF				440,000	440,000	440,000			
5	ROOF REPLACEMENT BLDG. - 55A & 55C	RF				550,000	550,000	550,000			
7	"K" BLDG.- RENOVATION (PHASE II)	RF				4,825,000	4,825,000	4,825,000			
8	STEAM AND CHILLED WATER PLANT	RF				3,848,000	3,848,000	3,848,000			
9	LAND AND BLDG. PURCHASE/REN. (HSC)	RF				3,973,000	3,973,000	3,973,000			
11	RESEARCH BUILDING (HSC)	RF								3,500,000	
12	PROPERTY FOR SUP. SERVICES/PARKING	RF				1,535,000	1,535,000	1,535,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF LOUISVILLE

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
13	UNIVERSITY PARK - FIELD HOUSE	RF				11,279,000	11,279,000	11,279,000			
14	MEDICAL/DENTAL APARTMENTS	RF				1,940,000	1,940,000	1,940,000			
15	UNIVERSITY TOWER APARTMENTS	RF				2,346,000	2,346,000	2,346,000			
16	UNIVERSITY CLUB COURTYARD ENCLOSURE	RF				446,000	446,000	446,000			
17	STUDENT HEALTH/COUNSELING BLDG REN.	RF				354,000	354,000	354,000			
18	SHERMAN APARTMENTS DEMOLITION	RF				363,000	363,000	363,000			
19	CARMICHAEL BUILDING RENOVATION	RF							2,300,000	2,300,000	2,300,000
21	SOCCER AND FIELD HOCKEY STADIUM	RF							1,860,000	1,860,000	1,860,000
22	UNIVERSITY PARK - NATATORIUM	RF							11,878,000	11,878,000	11,878,000
23	INFORMATION CENTER (EAST)	RF							274,000	274,000	274,000
24	UNIVERSITY DORMS - STEVENSON HALL	RF							676,000	676,000	676,000

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF LOUISVILLE

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
25	COLOR IMAGING SYSTEM	RF				150,000	150,000	150,000	100,000	100,000	100,000
26	LASER PRINTER FOR ENGINEERING	RF				60,000	60,000	60,000			
27	VECTOR PROCESSOR	RF				425,000	425,000	425,000	425,000	425,000	425,000
28	UNINTERRUPTABLE POWER SOURCE	RF				220,000	220,000	220,000			
29	DIGITAL MICROWAVE DATA LINKS	RF				125,000	125,000	125,000			
30	SPECIALIZED CENTRAL PROCESSING UNIT	RF				500,000	500,000	500,000			
31	MINI COMPUTER	RF				130,000	130,000	130,000			
32	ARRAY PROCESSOR	RF				155,000	155,000	155,000			
33	CHANNEL UPGRADE FOR CPU	RF				200,000	200,000	200,000			
34	NEW RADIO SYSTEM	RF				290,000	290,000	290,000			
35	CENTRAL ALARM MONITORING SYSTEM	RF				70,500	70,500	70,500			
36	AUTO. REPORTING/INFORMATION MANAGE.	RF				60,000	60,000	60,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF LOUISVILLE

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
37	CLOSED CIRCUIT TV SECURITY SYSTEM	RF				64,500	64,500	64,500			
38	VOICE RESPONSE SYSTEM	RF				130,000	130,000	130,000			
39	ULTRA-HIGH VACUUM SYSTEM	RF				95,000	95,000	95,000			
40	COMPUTER (APPOINTMENT/REGISTRATION)	RF				750,000	750,000	750,000			
41	ATHLETIC TEAM BUS	RF				200,000	200,000	200,000			
42	SCOREBOARD	RF				150,000	150,000	150,000			
43	PULSED YAG LASER	RF				100,000	100,000	100,000			
44	FOURIER TRANSFORM INFRARED/RAMAN SP	FF RF				92,500 92,500	92,500 92,500	92,500 92,500			
45	FM TRANSMISSION SYSTEM	FF RF				42,800 42,800	42,800 42,800	42,800 42,800			
46	SUPPORT SRV. LAND ACQ. (NORTHEAST)	RF							3,500,000	3,500,000	3,500,000
48	MEDICAL OFFICE BUILDING	RF							11,940,000	11,940,000	11,940,000
49	ENG./SCIENTIFIC PROCESSOR UPGRADE	RF							600,000	600,000	600,000

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF LOUISVILLE

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
50	TWO-COLOR PRESS	RF							300,000	300,000	300,000
51	DIGITAL COMMUNICATION NETWORK	RF							400,000	400,000	400,000
52	HIGH SPEED DUPLICATORS	RF							250,000	250,000	250,000
53	COLOR COPIER/PRINTER	RF							125,000	125,000	125,000
54	ULTRACENTRIFUGE	RF							65,000	65,000	65,000
55	AUTO. B ISOTOPE RADIATION DETECTION	RF							80,000	80,000	80,000
56	ABI OLIGONUCLEOTIDE SYNTHESIZER	RF							52,000	52,000	52,000
57	LIQUID CHROMATO./MASS SPECTRO./SYS.	RF							260,000	260,000	260,000
58	FLUORESCENT MICRO. & PHOTO. SYSTEM	RF							51,300	51,300	51,300
59	UNIVERSITY PARK - INDOOR TENNIS	RF							3,650,000	3,650,000	3,650,000
60	FORD HALL RENOVATION	RF							865,000	865,000	865,000

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: **HIGHER EDUCATION CABINET**
AGENCY: **UNIVERSITY OF LOUISVILLE**

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
61	SUPERCONDUCTING NMR MAGNET	RF							162,600	162,600	162,600
62	CHN ANALYZER/AUTO ATOMIC ABSORPTION	RF							70,000	70,000	70,000
63	LASER RAMAN SPECTROMETER	FF RF							90,000 90,000	90,000 90,000	90,000 90,000
64	CAPILLARY ELECTROPHORESIS	RF							80,000	80,000	80,000
65	ELECTRON PARAMAGNETIC RESONANCE SP.	FF RF							102,500 102,500	102,500 102,500	102,500 102,500
66	RISC BASED GRAPHICS WORKSTATION	RF							150,000	150,000	150,000
67	AXIAL TORSIONAL TESTER	RF							185,000	185,000	185,000
68	WATER COOLING TOWER SYSTEM	RF							50,000	50,000	50,000
69	2D LASER UPGRADE	RF							74,000	74,000	74,000
70	CNC GRINDING MACHINE	RF							159,000	159,000	159,000
71	CAPILLARY ELECTROPHORESIS SYSTEM	RF							53,000	53,000	53,000

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF LOUISVILLE

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
72	NUCLEOTIDE SYNTHESIZER	RF							50,000	50,000	50,000
73	CLINICAL/RESEARCH SAMPLING UNIT	RF							80,000	80,000	80,000
74	HEMATOLOGY ANALYZER	RF							68,500	68,500	68,500
75	MID-RANGE COMPUTER SYSTEM	RF							200,000	200,000	200,000
76	COMPUTER FILE SERVER	RF							200,000	200,000	200,000
77	VOICE AUTOMATION ENHANCEMENTS	RF							200,000	200,000	200,000
78	MAINFRAME IMAGING SYSTEM	RF							100,000	100,000	100,000
79	DISK STORAGE SUBSYSTEM & CONTROLLER	RF							500,000	500,000	500,000
80	VIDEO EDITING SYSTEM	RF							50,000	50,000	50,000
81	SATELLITE UPLINK	RF							150,000	150,000	150,000
82	MAINFRAME MEMORY	RF							332,000	332,000	332,000
83	MASS STORAGE SYSTEM	RF							500,000	500,000	500,000

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF LOUISVILLE

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
84	CONFOCAL MICROSCOPE SYSTEM	RF							83,500	83,500	83,500
85	CONFOCAL MICROSCOPE UNIT	RF							83,500	83,500	83,500
86	PEPTIDE SEQUENCER	RF							140,000	140,000	140,000
87	UTETIC MICROVASCULAR TRACING SYSTEM	RF							51,900	51,900	51,900
88	PROGRAMMABLE ULTRACENTRIFUGE	RF							68,300	68,300	68,300
89	MOBILE MAMMOGRAPHY SCREENING VAN	RF							250,000	250,000	250,000
90	X-RAY DIFFRACTROMETER ATTACHMENTS	RF							52,000	52,000	52,000
91	ENVIRONMENTAL CHAMBER	RF							105,000	105,000	105,000
92	NEURAL NETWORK SIMULATOR	RF							100,000	100,000	100,000
93	FORCE PLATFORM	RF							60,000	60,000	60,000
94	WIDE-BED PLOTTER	RF							50,000	50,000	50,000

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF LOUISVILLE

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
95	SPECTROMETER (UV AND VISIBLE)	RF							50,000	50,000	50,000
96	FILE SERVER	RF							150,000	150,000	150,000
97	HIGH PAI WORKSTATION	RF							132,000	132,000	132,000
98	HIGH PERFORMANCE COMPUTATIONAL WS	RF							91,500	91,500	91,500
99	PARALLEL COMPUTING SYSTEM	RF							154,000	154,000	154,000
100	WORKSTATION - SUPERCONDUCTIV. STUDY	RF							71,000	71,000	71,000
101	ARGON ION LASER	RF							71,500	71,500	71,500
102	TEACHING GRADE NMR SPECTROMETER	RF							111,100	111,100	111,100
103	HIGH RESOLUTION MASS SPECTROMETER	RF							445,500	445,500	445,500
104	FTIR SPECTROMETER: SYSTEM UPDATE	RF							78,100	78,100	78,100
105	MICROWAVE COMMUNICATIONS SYSTEM	RF							100,000	100,000	100,000
106	STUDIO CYCLORAMA	RF							75,000	75,000	75,000

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF LOUISVILLE

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
107	FOUR TOWER WEB PRESS	RF							200,000	200,000	200,000
108	TELECOMMUNICATIONS SYSTEM	RF							2,000,000	2,000,000	2,000,000
109	MAIL PROCESSING SYSTEM	RF							300,000	300,000	300,000
110	47 PASSENGER HIGHWAY BUS	RF							200,000	200,000	200,000
301	SCANNING ELECTRON MICROSCOPE	RF				290,000	290,000	290,000			
302	CONFOCAL MICROSCOPE	RF				160,000	160,000	160,000			
303	STM/ATM (MICROSCOPE)	RF				100,000	100,000	100,000			
304	MAINFRAME MEMORY	RF				332,000	332,000	332,000			
305	DISK STORAGE SUBSYSTEM & CONTROLLER	RF				750,000	750,000	750,000			
306	STUDIO TV CAMERAS	RF				300,000	300,000	300,000			
307	ROUTING SWITCHER	RF				70,000	70,000	70,000			
308	ENG./SCIENTIFIC PROCESSOR UPGRADE	RF				300,000	300,000	300,000	600,000	600,000	600,000

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF LOUISVILLE

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
309	PERFECT BINDER	RF				100,000	100,000	100,000			
310	TWO-COLOR PRESS	RF				300,000	300,000	300,000			
311	UNIVERSAL TESTING MACHINE	RF				277,500	277,500	277,500			
312	RADIOGRAPHIC/FLUORO SCOPIC X-RAY	RF				250,000	250,000	250,000			
313	INTERACTIVE LASER CYTOMETER	RF				325,000	325,000	325,000			
314	AUTOMATIC RECORDING SPECTROPHOTO.	RF				84,000	84,000	84,000			
315	HIGH PRESSURE LIQUID CHROMATOGRAPHY	RF				55,000	55,000	55,000			
316	300 MHZ NMR SPECTROMETER	RF				246,000	246,000	246,000			
317	IMAGE ANALYSIS/RADIOACTIVE IMAGING	RF				93,500	93,500	93,500			
318	DUAL CHANNEL AUTOANALYZER	RF				55,000	55,000	55,000			
319	FOURIER-TRANSFORM INFRARED SPECTRO.	RF				66,500	66,500	66,500			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF LOUISVILLE

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
320	AUTOMATED DNA SEQUENCER	RF				99,000	99,000	99,000			
321	ABSORPTION PACKED COLUMN EXPERIMENT	RF				80,000	80,000	80,000			
322	MULTI-CHANNEL FFT ANALYZER	RF				60,000	60,000	60,000			
323	RISC-BASED GRAPHICS WORKSTATION	RF				150,000	150,000	150,000			
324	MATERIALS TESTING SYSTEM	RF				184,500	184,500	184,500			
325	STEREOLITHOGRAPHY MACHINE	RF				431,000	431,000	431,000			
326	MINI COMPUTER	RF				118,100	118,100	118,100			
327	ADVANCED HPLC/FPLC CHROMATOGRAPHY	RF				81,000	81,000	81,000			
328	CATION MEASUREMENT SYSTEM	RF				85,000	85,000	85,000			
329	3-D OPTICAL SCAN/RESTORATIVE DENT.	RF				53,500	53,500	53,500			
330	RADIOGRAPHIC IMAGING UNIT	RF				140,800	140,800	140,800			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF LOUISVILLE

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
331	DIGITAL COMMUNICATION NETWORK	RF				250,000	250,000	250,000			
332	DIGITAL EFFECTS GENERATOR	RF				50,000	50,000	50,000			
333	ENVELOPE PRESS	RF				70,000	70,000	70,000			
334	HIGH SPEED DUPLICATORS (2)	RF				250,000	250,000	250,000			
335	CODECS	RF				210,000	210,000	210,000			
336	HIGH VOLUME LASER PRINTER SYSTEM	RF				400,000	400,000	400,000			
337	VOICE MAIL SYSTEM	RF				200,000	200,000	200,000			
338	COLOR COPIER/PRINTER	RF				125,000	125,000	125,000			
339	BETA EDITING SYSTEM	RF				120,000	120,000	120,000			
340	COMMUNICATIONS PROCESSOR	RF				500,000	500,000	500,000			
341	MINI COMPUTER FOR HRM SPECTROMETER	RF				60,000	60,000	60,000			
342	QUANTITATIVE FLUORESCENCE SPECTRO.	RF				75,000	75,000	75,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF LOUISVILLE

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
343	LASER FLUORIMETRIC SYSTEM	RF				103,800	103,800	103,800			
344	INTRAVITAL MICROSCOPY VIDEO DATA	RF				67,800	67,800	67,800			
345	REMOTE TRANSCRIPTION NETWORK	RF				75,000	75,000	75,000			
346	ANIMAL IRRADIATOR	RF				154,000	154,000	154,000			
347	NUCLEIC ACID EXTRACTOR	RF				55,000	55,000	55,000			
348	DATACUBE IMAGE ANALYZER	RF				120,300	120,300	120,300			
349	TISSUE CULTURE STERILIZATION EQUIP	RF				56,000	56,000	56,000			
350	MAMMOGRAPHY EQUIPMENT	RF				75,000	75,000	75,000			
351	VSMC PERFORMANCE ANALYZER	RF				126,700	126,700	126,700			
352	ADVANCED CONTROL SYSTEMS EXPERIMENT	RF				60,000	60,000	60,000			
353	ULTRA-FAST TUNEABLE DYE LASER	RF				250,000	250,000	250,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF LOUISVILLE

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
354	EXPERT VISION SYSTEM	RF				100,000	100,000	100,000			
355	NETWORK ANALYZER	RF				50,000	50,000	50,000			
356	DIELECTROMETRY	RF				52,900	52,900	52,900			
357	MICROWAVE NETWORK ANALYZER	RF				350,000	350,000	350,000			
358	EXTRUDER	RF				50,000	50,000	50,000			
359	HIGH PERFORMANCE LIQUID CHROMATO.	RF				50,000	50,000	50,000			
360	SCANNING TUNNELLING MICROSCOPE	RF				140,000	140,000	140,000			
361	SUB-PICOSECOND STREAK CAMERA	RF				186,000	186,000	186,000			
362	MOLECULAR DYNAMICS SOFTWARE & COMP.	RF				80,000	80,000	80,000			
363	TUNNELLING ELECTRON MICROSCOPE	RF				320,000	320,000	320,000			
364	X-RAY DIFFRACTOMETER	RF				156,000	156,000	156,000			
365	UV-VISIBLE-NEAR IR SPECTROPHOTO.	RF				70,000	70,000	70,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF LOUISVILLE

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
366	COMPUTING WORK. FOR X-RAY FACILITY	RF				67,000	67,000	67,000			
367	GRAPHIC DESIGN/TYPESETTER MACHINE	RF				71,500	71,500	71,500			
368	COMPUTER GRAPHICS OUTPUT DEVICE	RF				100,000	100,000	100,000			
369	MID-RANGE COMPUTER SYSTEM	RF				200,000	200,000	200,000			
370	COMPUTER FILE SERVER	RF				200,000	200,000	200,000			
371	MAINFRAME IMAGING SYSTEM (2)	RF				200,000	200,000	200,000			
372	ULTRACENTRIFUGE	RF				65,000	65,000	65,000			
373	DATA COLLECTION COMPUTER SYSTEM	RF				76,100	76,100	76,100			
374	MICROVESSEL IMAGE PROCESSING SYSTEM	RF				205,000	205,000	205,000			
375	MICROVESSEL DIAGNOSTIC TEST SYSTEM	RF				146,800	146,800	146,800			
376	LIQUID SCINTILLATION ANALYSIS SYS.	RF				136,500	136,500	136,500			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: UNIVERSITY OF LOUISVILLE

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
377	NAILFORD ANALYSIS SYSTEM	RF				113,000	113,000	113,000			
378	LIVER BIOPSY ANALYSIS SYSTEM	RF				89,000	89,000	89,000			
379	PHOTO-OPTICS DESIGN SYSTEM	RF				297,000	297,000	297,000			
380	SMALL ARTERY REACTIVITY DIAGNOSTIC	RF				124,500	124,500	124,500			
381	SMALL VEIN LEAKAGE DIAGNOSTIC SYS.	RF				121,500	121,500	121,500			
AGENCY		TOTAL				51,754,400	51,754,400	51,754,400	59,201,300	62,701,300	59,201,300
Federal Fund						135,300	135,300	135,300	192,500	192,500	192,500
Restricted Fund						51,619,100	51,619,100	51,619,100	59,008,800	62,508,800	59,008,800
AGENCY		TOTAL				51,754,400	51,754,400	51,754,400	59,201,300	62,701,300	59,201,300

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: WESTERN KENTUCKY UNIVERSITY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**WESTERN KENTUCKY UNIVERSITY**										
1	LIFE SAFETY IMPROVEMENTS	RF				500,000	500,000	500,000			
2	ELEVATOR REPAIRS & RENOVATIONS	RF				200,000	200,000	200,000			
3	MILKING PARLOR FACILITY	RF				420,000	420,000	420,000			
4	ROOF REPLACEMENT PROJECTS	RF				202,000	202,000	202,000			
5	EXTERIOR RENOVATIONS/VAR BLDGS	RF							600,000	600,000	600,000
8	RENOV ACADEMIC COMPLEX	RF							1,000,000	1,000,000	1,000,000
9	RENOV ACADEMIC-ATHLETIC NO.2	RF							1,500,000	1,500,000	1,500,000
10	REPAIR/REPLACEMENT MECHANICAL SYS	GF						500,000			
		RF				855,000	855,000				
11	REPAIR UNDERGROUND ELECTRICAL UTIL	RF				120,000	120,000	120,000			
12	PROPERTY ACQUISITION	RF				800,000	800,000	800,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: WESTERN KENTUCKY UNIVERSITY

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
13	IMPROVEMENT INTRAMURAL/RECR FIELDS	RF							350,000	350,000	350,000
14	CHERRY HALL/EXTERIOR RENOVATIONS	RF							550,000	550,000	550,000
15	REPAIR/REPLACE WALKS,PARKING,ETC.	RF				250,000	250,000	250,000			
18	EXTERIOR RENOVATIONS/VAR BLDGS	RF							230,000	230,000	230,000
21	SHUTTLE BUSES (LEASE PURCHASE)	RF				125,000	125,000	125,000	125,000	125,000	125,000
22	DIGITAL VIDEOTAPE RECORDERS	RF							195,000	195,000	195,000
23	PACKER TRUCK	RF							65,000	65,000	65,000
24	TV TRANSMISSION SYSTEM IMPROVEMENT	RF				500,000	500,000	500,000			
25	SATELLITE UPLINK	RF				350,000	350,000	350,000			
26	UPGRADE COMPUTER CENTER PROCESSOR	RF							105,300	105,300	105,300
27	CAMPUS DATA COMMUNICATION NETWORK	RF				989,000	989,000	989,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET
AGENCY: WESTERN KENTUCKY UNIVERSITY

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
28 DISK CONTROLLER	RF				217,000	217,000	217,000			
AGENCY	**TOTAL**				**5,528,000**	**5,528,000**	**5,173,000**	**4,720,300**	**4,720,300**	**4,720,300**
General Fund							500,000			
Restricted Fund					5,528,000	5,528,000	4,673,000	4,720,300	4,720,300	4,720,300
AGENCY	**TOTAL**				**5,528,000**	**5,528,000**	**5,173,000**	**4,720,300**	**4,720,300**	**4,720,300**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HIGHER EDUCATION CABINET

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
CABINET/FUNCTION	TOTAL	12,816,000	12,816,000	12,816,000	316,330,000	311,297,000	323,842,000	115,297,900	177,558,900	115,185,900
General Fund							500,000			
Federal Fund					935,300	935,300	935,300	192,500	192,500	192,500
Restricted Fund		850,000	850,000	850,000	282,394,700	277,361,700	289,406,700	114,045,400	130,306,400	113,933,400
Bond Fund					10,000,000	10,000,000	10,000,000		46,000,000	
Agency Bond Fund		11,966,000	11,966,000	11,966,000	23,000,000	23,000,000	23,000,000			
Capital Construction Surplus								1,060,000	1,060,000	1,060,000
CABINET/FUNCTION	TOTAL	12,816,000	12,816,000	12,816,000	316,330,000	311,297,000	323,842,000	115,297,900	177,558,900	115,185,900

1992 GENERAL ASSEMBLY

FB 1992-94 STATE/EXECUTIVE BRANCH BUDGET MEMORANDUM

HR. HUMAN RESOURCES

APRIL 1, 1992

1992 GENERAL ASSEMBLY
FB 1992-94 CONFERENCE ANALYSIS
GENERAL FUND SUMMARY

FUNCTION: Human Resources

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
Social Insurance							
Administration	37,722,900	40,927,500	40,927,500	40,927,500	41,501,900	41,501,900	41,501,900
Benefits	65,812,400	80,455,700	80,455,700	80,455,700	86,095,400	86,095,400	86,095,400
Welfare Reform	29,510,600	15,454,400	15,454,400	15,454,400	17,278,400	17,278,400	17,278,400
Total - Social Insurance	133,045,900	136,837,600	136,837,600	136,837,600	144,875,700	144,875,700	144,875,700
Medicaid Services							
Administration	16,262,700	15,213,800	15,213,800	15,213,800	15,955,700	15,955,700	15,955,700
Benefits	345,329,100	417,000,000	417,000,000	417,000,000	468,100,000	468,100,000	468,100,000
Total - Medicaid Services	361,591,800	432,213,800	432,213,800	432,213,800	484,055,700	484,055,700	484,055,700
Employment Services							
Health Services	44,573,300	45,284,000	45,284,000	45,284,000	45,659,000	45,434,000	45,659,000
Mental Health/Mental Retardation	104,148,100	117,174,000	117,274,000	117,674,000	122,231,500	123,356,500	124,056,500
Social Services	111,398,000	108,398,400	108,298,400	108,398,400	128,545,000	127,645,000	128,445,000
Administration & Program Support	17,699,600	16,022,000	16,022,000	16,022,000	16,569,000	16,569,000	16,569,000
Cabinet Total	772,456,700	855,929,800	855,929,800	856,429,800	941,935,900	941,935,900	943,660,900
Commission for Handicapped Children	7,895,500	7,895,000	7,895,000	7,895,000	7,995,000	7,995,000	7,995,000
Commission for Health Economic Control in Kentucky	473,600	423,000	423,000	423,000	423,000	423,000	423,000
Operating Budget Total	780,825,800	864,247,800	864,247,800	864,747,800	950,353,900	950,353,900	952,078,900
Capital Budget							
Grand Total	**780,825,800**	**864,247,800**	**864,247,800**	**864,747,800**	**950,353,900**	**950,353,900**	**952,078,900**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive **Agency:** **Function Summary**
Cabinet/Function: Human Resources **Unit:**

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	780,825,800	864,247,800	864,247,800	864,747,800	950,353,900	950,353,900	952,078,900
Restricted Funds	270,108,900	332,976,600	332,976,600	332,976,600	348,940,600	348,940,600	348,940,600
Federal Funds	2,339,161,100	2,573,259,400	2,573,259,400	2,573,259,400	2,769,156,500	2,769,156,500	2,769,156,500
TOTAL FUNDS	**3,390,095,800**	**3,770,483,800**	**3,770,483,800**	**3,770,983,800**	**4,068,451,000**	**4,068,451,000**	**4,070,176,000**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	415,334,200	426,090,100	425,390,100	425,390,100	438,271,800	437,571,800	437,571,800
Operating Expenses	91,953,100	84,913,300	85,613,300	85,613,300	87,018,100	87,718,100	87,718,100
Grants, Loans, Benefits	2,866,837,300	3,247,262,300	3,247,262,300	3,247,762,300	3,530,112,000	3,530,112,000	3,531,837,000
Debt Service	11,232,800	11,093,700	11,093,700	11,093,700	12,325,400	12,325,400	12,325,400
Capital Outlay	4,738,400	1,124,400	1,124,400	1,124,400	723,700	723,700	723,700
TOTAL EXPENDITURES	**3,390,095,800**	**3,770,483,800**	**3,770,483,800**	**3,770,983,800**	**4,068,451,000**	**4,068,451,000**	**4,070,176,000**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	780,825,800	758,285,700	758,285,700	758,285,700	768,406,400	768,406,400	768,406,400
Restricted Funds	268,708,900	292,927,600	292,927,600	292,927,600	286,281,900	286,281,900	286,281,900
Federal Funds	2,339,161,100	2,262,872,400	2,262,872,400	2,262,872,400	2,269,296,100	2,269,296,100	2,269,296,100
TOTAL CURRENT	**3,388,695,800**	**3,314,085,700**	**3,314,085,700**	**3,314,085,700**	**3,323,984,400**	**3,323,984,400**	**3,323,984,400**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		105,962,100	105,962,100	106,462,100	181,947,500	181,947,500	183,672,500
Restricted Funds	1,400,000	40,049,000	40,049,000	40,049,000	62,658,700	62,658,700	62,658,700
Federal Funds		310,387,000	310,387,000	310,387,000	499,860,400	499,860,400	499,860,400
TOTAL ADDITIONAL	**1,400,000**	**456,398,100**	**456,398,100**	**456,898,100**	**744,466,600**	**744,466,600**	**746,191,600**

CONFERENCE ANALYSIS
CURRENT YEAR BUDGET REQUESTS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Human Resources

Agency: **Function Summary**
Unit:

	Request	Branch	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:					
FUND SOURCE					
General Fund	784,211,000	786,325,800	786,325,800	786,325,800	780,825,800
Restricted Funds	270,390,200	270,108,900	270,108,900	270,108,900	270,108,900
Federal Funds	2,340,802,100	2,339,161,100	2,339,161,100	2,339,161,100	2,339,161,100
TOTAL FUNDS	**3,395,403,300**	**3,395,595,800**	**3,395,595,800**	**3,395,595,800**	**3,390,095,800**
II. EXPENDITURES BY CATEGORY					
Personnel Costs	417,856,900	415,584,200	415,584,200	415,584,200	415,334,200
Operating Expenses	91,466,100	91,953,100	91,953,100	91,953,100	91,953,100
Grants, Loans, Benefits	2,869,162,800	2,872,087,300	2,872,087,300	2,872,087,300	2,866,837,300
Debt Service	11,222,300	11,232,800	11,232,800	11,232,800	11,232,800
Capital Outlay	5,695,200	4,738,400	4,738,400	4,738,400	4,738,400
TOTAL EXPENDITURES	**3,395,403,300**	**3,395,595,800**	**3,395,595,800**	**3,395,595,800**	**3,390,095,800**
III. CURRENT SERVICES BUDGET					
FUND SOURCE					
General Fund	766,596,100	786,325,800	786,325,800	786,325,800	780,825,800
Restricted Funds	260,469,900	268,708,900	268,708,900	268,708,900	268,708,900
Federal Funds	2,319,432,600	2,339,161,100	2,339,161,100	2,339,161,100	2,339,161,100
TOTAL CURRENT	**3,346,498,600**	**3,394,195,800**	**3,394,195,800**	**3,394,195,800**	**3,388,695,800**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE					
FUND SOURCE					
General Fund	17,699,600				
Restricted Funds	9,920,300	1,400,000	1,400,000	1,400,000	1,400,000
Federal Funds	21,369,500				
TOTAL ADDITIONAL	**48,989,400**	**1,400,000**	**1,400,000**	**1,400,000**	**1,400,000**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Human Resources

Agency: Social Insurance
Unit: Administration

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	37,722,900	40,927,500	40,927,500	40,927,500	41,501,900	41,501,900	41,501,900
Restricted Funds	16,077,600	13,754,800	13,754,800	13,754,800	13,524,700	13,524,700	13,524,700
Federal Funds	87,500,700	82,165,200	82,165,200	82,165,200	82,890,100	82,890,100	82,890,100
TOTAL FUNDS	**141,301,200**	**136,847,500**	**136,847,500**	**136,847,500**	**137,916,700**	**137,916,700**	**137,916,700**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	89,566,900	87,890,800	87,890,800	87,890,800	87,457,300	87,457,300	87,457,300
Operating Expenses	32,728,000	30,914,300	30,914,300	30,914,300	31,610,400	31,610,400	31,610,400
Grants, Loans, Benefits	17,186,000	18,042,400	18,042,400	18,042,400	18,849,000	18,849,000	18,849,000
Capital Outlay	1,820,300						
TOTAL EXPENDITURES	**141,301,200**	**136,847,500**	**136,847,500**	**136,847,500**	**137,916,700**	**137,916,700**	**137,916,700**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	37,722,900	40,064,400	40,064,400	40,064,400	40,589,400	40,589,400	40,589,400
Restricted Funds	16,077,600	13,754,800	13,754,800	13,754,800	13,524,700	13,524,700	13,524,700
Federal Funds	87,500,700	81,307,700	81,307,700	81,307,700	81,980,200	81,980,200	81,980,200
TOTAL CURRENT	**141,301,200**	**135,126,900**	**135,126,900**	**135,126,900**	**136,094,300**	**136,094,300**	**136,094,300**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		863,100	863,100	863,100	912,500	912,500	912,500
Federal Funds		857,500	857,500	857,500	909,900	909,900	909,900
TOTAL ADDITIONAL		**1,720,600**	**1,720,600**	**1,720,600**	**1,822,400**	**1,822,400**	**1,822,400**

V. ADDITIONAL BUDGET ITEMS

Item#	**Fund Source**	FY 1992-93			FY 1993-94		
/Type Service Unit/Description	**/Subtotal**	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
1/E State Supplementation-8 additional staff (FY94) & operating funds. Branch recommends reduced funding	G	35,600	35,600	35,600	35,600	35,600	35,600

Item#	Fund Source		FY 1992-93			FY 1993-94	
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
2/E AFDC-UP Branch transfers	G	787,500	787,500	787,500	826,900	826,900	826,900
funding originally requested in	F	787,500	787,500	787,500	826,900	826,900	826,900
DSI Welfare Reform appropriation	**Total**	**1,575,000**	**1,575,000**	**1,575,000**	**1,653,800**	**1,653,800**	**1,653,800**
3/N Paternity Identification Affidavit	G	40,000	40,000	40,000	50,000	50,000	50,000
Program $10/ affidavit/unmarried	F	70,000	70,000	70,000	83,000	83,000	83,000
mother paid to hospital for registration	**Total**	**110,000**	**110,000**	**110,000**	**133,000**	**133,000**	**133,000**
RECAP BY FUND SOURCE	**G**	**863,100**	**863,100**	**863,100**	**912,500**	**912,500**	**912,500**
	F	**857,500**	**857,500**	**857,500**	**909,900**	**909,900**	**909,900**
GRAND TOTAL ADDITIONAL BUDGET		**1,720,600**	**1,720,600**	**1,720,600**	**1,822,400**	**1,822,400**	**1,822,400**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends the transfer of funds previously requested in the Department of Social Insurance-Welfare Reform. The Branch Budget recommends a reduction in central/regional office staff.

HOUSE REPORT

The House concurs with the Branch and includes in the salary and benefits costs : 1) no funds for non-merit positions in the Commissioner's Office with the exception of 1 commissioner; 2) funds for merit positions filled by employees who were or will be employed in a non-merit position in the Commonwealth of Kentucky between December 1, 1987 and June 30, 1994 at a salary equal to or less than the employee's merit-position salary immediately prior to the employee's first non-merit position in the Commonwealth plus corresponding annual merit increments given to all merit employees for each year since or if no such merit position was held, at a salary equal to or less than the entry level of the present merit position; and 3) funds for other non-merit and merit positions filled on January 31, 1992. Appropriated funds for salary and benefit costs shall be allocated following the General Provisions of the Appropriation Act within the Department for Social Insurance. Any necessary termination of classified employees shall be done in accordance with KRS 18A.113, KRS 18A.1131, and KRS 18A.1132.

Food Stamp Enhanced Funding received by the Department for Social Insurance shall be utilized only for one-time, nonrecurring expenditures in the Department for Social Insurances.

Notwithstanding the provisions of KRS 42.560 and KRS 42.570, the amount necessary to supplement federal funds to maintain program levels as appropriated is authorized from the Energy Trust Fund for fiscal year 1992-93 and fiscal year 1993-94 for the LIHEAP and Weatherization programs.

The House recommends funding for the Paternity Identification Affidavit to assist in Child Support Enforcement.

SENATE REPORT

The Senate concurs with the House with the exception that the Senate addresses non-merit positions and salaries for non-merit employees reverting to merit positions in the Administration and Program Support appropriation unit and the Special Provisions of the Act.

CONFERENCE REPORT

The Conference concurs with the Senate.

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/28/92
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Governmental Branch: Executive
Cabinet/Function: Human Resources
Agency: Social Insurance
Unit: Benefits

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:**							
FUND SOURCE							
General Fund	65,812,400	80,455,700	80,455,700	80,455,700	86,095,400	86,095,400	86,095,400
Restricted Funds	13,583,200	11,568,700	11,568,700	11,568,700	12,622,500	12,622,500	12,622,500
Federal Funds	162,965,300	186,338,700	186,338,700	186,338,700	193,842,900	193,842,900	193,842,900
TOTAL FUNDS	**242,360,900**	**278,363,100**	**278,363,100**	**278,363,100**	**292,560,800**	**292,560,800**	**292,560,800**
II. EXPENDITURES BY CATEGORY							
Grants, Loans, Benefits	242,360,900	278,363,100	278,363,100	278,363,100	292,560,800	292,560,800	292,560,800
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	65,812,400	70,246,200	70,246,200	70,246,200	70,924,700	70,924,700	70,924,700
Restricted Funds	13,583,200	11,568,700	11,568,700	11,568,700	12,622,500	12,622,500	12,622,500
Federal Funds	162,965,300	166,772,600	166,772,600	166,772,600	165,986,600	165,986,600	165,986,600
TOTAL CURRENT	**242,360,900**	**248,587,500**	**248,587,500**	**248,587,500**	**249,533,800**	**249,533,800**	**249,533,800**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		10,209,500	10,209,500	10,209,500	15,170,700	15,170,700	15,170,700
Federal Funds		19,566,100	19,566,100	19,566,100	27,856,300	27,856,300	27,856,300
TOTAL ADDITIONAL		**29,775,600**	**29,775,600**	**29,775,600**	**43,027,000**	**43,027,000**	**43,027,000**
V. ADDITIONAL BUDGET ITEMS							
1/E State Supplementation- increased recipient levels: 40 in FY93 & 39 in FY94 due to financial incentive to serve the mentally ill Branch recommends reduced funding	G	2,560,400	2,560,400	2,560,400	3,295,700	3,295,700	3,295,700
2/FFR AFDC- Federal Match Rate reduced from 72.82% to 71.69% Branch recommends funding	G	40,100	40,100	40,100	42,100	42,100	42,100

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
3/E Personal Care Home rate increase: raise per diem rates by $1.20 beginning January 1, 1994 (current rate$22.67)	G				875,000	875,000	875,000
4/E Family Care Home rate increase: raise per diem rates by $1.20 beginning January 1, 1994 (current rate$16.17)	G				125,000	125,000	125,000
5/E AFDC-UP Branch recommends transferring AFDC-UP from DSI-Welfare Reform to DSI-Benefits	G	7,609,000	7,609,000	7,609,000	10,832,900	10,832,900	10,832,900
	F	19,566,100	19,566,100	19,566,100	27,856,300	27,856,300	27,856,300
	Total	**27,175,100**	**27,175,100**	**27,175,100**	**38,689,200**	**38,689,200**	**38,689,200**
RECAP BY FUND SOURCE	**G**	**10,209,500**	**10,209,500**	**10,209,500**	**15,170,700**	**15,170,700**	**15,170,700**
	F	**19,566,100**	**19,566,100**	**19,566,100**	**27,856,300**	**27,856,300**	**27,856,300**
GRAND TOTAL ADDITIONAL BUDGET		**29,775,600**	**29,775,600**	**29,775,600**	**43,027,000**	**43,027,000**	**43,027,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends sufficient funding to provide payments and/or services to all individuals who qualify for benefits under present guidelines. Ratable Reduction is funded by the Branch. The Branch Budget does not provide sufficient funding to expand the Food Stamp Employment & Training Program statewide.

The Branch Budget recommends the transfer of funds previously requested in the Department of Social Insurance-Welfare Reform. The Branch Budget recommends a reduction in central/regional office staff.

HOUSE REPORT

The House concurs with the Branch and recommends that the Food Stamp Enhanced Funding received by the Department for Social Insurance shall be utilized only for one-time, nonrecurring expenditures in the Department for Social Insurances. The House recommends that the per diem reimbursement for Personal Care and Family Care Homes be increased by $1.20 beginning January 1, 1994.

Notwithstanding the provisions of KRS 42.560 and KRS 42.570, the amount necessary to supplement federal funds to maintain program levels as appropriated is authorized from the Energy Trust Fund for fiscal year 1992-93 and fiscal year 1993-94 for the LIHEAP and Weatherization programs.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate with the following exception: The Conference reduces the current year General Fund Budget by $3,000.000 based upon the projected lapse information provided by the Governor's Office for Policy and Management.

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CONFERENCE ANALYSIS
CURRENT YEAR BUDGET REQUESTS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive **Agency:** **Social Insurance**
Cabinet/Function: Human Resources **Unit:** **Benefits**

	Request	Branch	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:					
FUND SOURCE					
General Fund	67,412,400	68,812,400	68,812,400	68,812,400	65,812,400
Restricted Funds	13,483,200	13,583,200	13,583,200	13,583,200	13,583,200
Federal Funds	162,965,300	162,965,300	162,965,300	162,965,300	162,965,300
TOTAL FUNDS	**243,860,900**	**245,360,900**	**245,360,900**	**245,360,900**	**242,360,900**
II. EXPENDITURES BY CATEGORY					
Grants, Loans, Benefits	243,860,900	245,360,900	245,360,900	245,360,900	242,360,900
III. CURRENT SERVICES BUDGET					
FUND SOURCE					
General Fund	67,412,400	68,812,400	68,812,400	68,812,400	65,812,400
Restricted Funds	13,483,200	13,583,200	13,583,200	13,583,200	13,583,200
Federal Funds	162,965,300	162,965,300	162,965,300	162,965,300	162,965,300
TOTAL CURRENT	**243,860,900**	**245,360,900**	**245,360,900**	**245,360,900**	**242,360,900**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: **Executive**
Cabinet/Function: **Human Resources**
Agency: **Social Insurance**
Unit: **Welfare Reform**

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	29,510,600	15,454,400	15,454,400	15,454,400	17,278,400	17,278,400	17,278,400
Federal Funds	70,625,400	28,249,900	28,249,900	28,249,900	32,203,500	32,203,500	32,203,500
TOTAL FUNDS	**100,136,000**	**43,704,300**	**43,704,300**	**43,704,300**	**49,481,900**	**49,481,900**	**49,481,900**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	10,707,800	13,600,500	13,600,500	13,600,500	15,398,800	15,398,800	15,398,800
Operating Expenses	2,109,700	2,735,900	2,735,900	2,735,900	3,097,600	3,097,600	3,097,600
Grants, Loans, Benefits	87,318,500	27,367,900	27,367,900	27,367,900	30,985,500	30,985,500	30,985,500
TOTAL EXPENDITURES	**100,136,000**	**43,704,300**	**43,704,300**	**43,704,300**	**49,481,900**	**49,481,900**	**49,481,900**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	29,510,600	11,799,600	11,799,600	11,799,600	11,525,800	11,525,800	11,525,800
Federal Funds	70,625,400	21,580,500	21,580,500	21,580,500	21,854,300	21,854,300	21,854,300
TOTAL CURRENT	**100,136,000**	**33,380,100**	**33,380,100**	**33,380,100**	**33,380,100**	**33,380,100**	**33,380,100**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		3,654,800	3,654,800	3,654,800	5,752,600	5,752,600	5,752,600
Federal Funds		6,669,400	6,669,400	6,669,400	10,349,200	10,349,200	10,349,200
TOTAL ADDITIONAL		**10,324,200**	**10,324,200**	**10,324,200**	**16,101,800**	**16,101,800**	**16,101,800**

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	**Fund Source /Subtotal**	**FY 1992-93**			**FY 1993-94**		
		House	**Senate**	**Conference**	**House**	**Senate**	**Conference**
1/E/M Expand Welfare Reform statewide- Implement federal mandated JOBS program statewide by 10/1/92: increasing participants by 10,166 in FY 93 & 11,181 in FY 94. Branch recommends reduced funding for existing optional services and transfers funding for AFDC-UP as a direct appropriation to DSI &DMS	G	3,654,800	3,654,800	3,654,800	5,752,600	5,752,600	5,752,600
	F	6,669,400	6,669,400	6,669,400	10,349,200	10,349,200	10,349,200
	Total	**10,324,200**	**10,324,200**	**10,324,200**	**16,101,800**	**16,101,800**	**16,101,800**
RECAP BY FUND SOURCE	**G**	**3,654,800**	**3,654,800**	**3,654,800**	**5,752,600**	**5,752,600**	**5,752,600**
	F	**6,669,400**	**6,669,400**	**6,669,400**	**10,349,200**	**10,349,200**	**10,349,200**
GRAND TOTAL ADDITIONAL BUDGET		**10,324,200**	**10,324,200**	**10,324,200**	**16,101,800**	**16,101,800**	**16,101,800**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends additional funding to expand JOBS program into 92 counties by October 1992 as per Federal mandate. The Branch Budget recommends reduced funding for current optional services i.e., support services (counseling, parenting, and life skills); financial aid for post secondary education; financial aid for job skills training; one time work related expenses watch, tools, uniforms, etc.. The Branch Budget transfers funding for AFDC-UP as a direct appropriation to the Department's for Social Insurance and Medicaid Services.

HOUSE REPORT

The House concurs with the Branch and includes in the salary and benefits costs : 1) no funds for non-merit positions unless used to replace funding provided for a non-merit position funded in another appropriation unit and does not increase the number of funded non-merit positions; 2) funds for merit positions filled by employees who were or will be employed in a non-merit position in the Commonwealth of Kentucky between December 1, 1987 and June 30, 1994 at a salary equal to or less than the employee's merit-position salary immediately prior to the employee's first non-merit position in the Commonwealth plus corresponding annual merit increments given to all merit employees for each year since or if no such merit position was held, at a salary equal to or less than the entry level of the present merit position; and 3) funds for other non-merit and merit positions filled on January 31, 1992. Appropriated funds for salary and benefit costs shall be allocated following the General Provisions of the Appropriation Act within the Department for Social Insurance. Any necessary termination of classified employees shall be done in accordance with KRS 18A.113, KRS 18A.1131, and KRS 18A.1132.

SENATE REPORT

The Senate concurs with the House with the exception that the Senate addresses non-merit positions and salaries for non-merit employees reverting to merit positions in the Administration and Program Support appropriation unit and the Special Provisions of the Act.

CONFERENCE REPORT

The Conference concurs with the House and Senate with the following exception: The Conference reduces the current year General Fund Budget by $1,500,000 based upon the projected lapse information provided by the Governor's Office for Policy and Management.

CONFERENCE ANALYSIS
CURRENT YEAR BUDGET REQUESTS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Human Resources
Agency: Social Insurance
Unit: Welfare Reform

	Request	Branch	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:					
FUND SOURCE					
General Fund	30,948,300	31,010,600	31,010,600	31,010,600	29,510,600
Federal Funds	70,625,400	70,625,400	70,625,400	70,625,400	70,625,400
TOTAL FUNDS	**101,573,700**	**101,636,000**	**101,636,000**	**101,636,000**	**100,136,000**
II. EXPENDITURES BY CATEGORY					
Personnel Costs	10,645,500	10,707,800	10,707,800	10,707,800	10,707,800
Operating Expenses	2,109,700	2,109,700	2,109,700	2,109,700	2,109,700
Grants, Loans, Benefits	88,818,500	88,818,500	88,818,500	88,818,500	87,318,500
TOTAL EXPENDITURES	**101,573,700**	**101,636,000**	**101,636,000**	**101,636,000**	**100,136,000**
III. CURRENT SERVICES BUDGET					
FUND SOURCE					
General Fund	30,948,300	31,010,600	31,010,600	31,010,600	29,510,600
Federal Funds	70,625,400	70,625,400	70,625,400	70,625,400	70,625,400
TOTAL CURRENT	**101,573,700**	**101,636,000**	**101,636,000**	**101,636,000**	**100,136,000**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Human Resources
Agency: Department for Medicaid Services
Unit: Medicaid Administration

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	16,262,700	15,213,800	15,213,800	15,213,800	15,955,700	15,955,700	15,955,700
Restricted Funds	1,154,500	3,391,900	3,391,900	3,391,900	3,399,900	3,399,900	3,399,900
Federal Funds	24,589,900	27,058,500	27,058,500	27,058,500	28,081,900	28,081,900	28,081,900
TOTAL FUNDS	**42,007,100**	**45,664,200**	**45,664,200**	**45,664,200**	**47,437,500**	**47,437,500**	**47,437,500**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	21,004,600	24,665,900	24,665,900	24,665,900	25,952,400	25,952,400	25,952,400
Operating Expenses	1,385,100	1,426,900	1,426,900	1,426,900	1,469,700	1,469,700	1,469,700
Grants, Loans, Benefits	19,507,400	19,571,400	19,571,400	19,571,400	20,015,400	20,015,400	20,015,400
Capital Outlay	110,000						
TOTAL EXPENDITURES	**42,007,100**	**45,664,200**	**45,664,200**	**45,664,200**	**47,437,500**	**47,437,500**	**47,437,500**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	16,262,700	13,996,000	13,996,000	13,996,000	14,147,400	14,147,400	14,147,400
Restricted Funds	1,154,500	3,117,600	3,117,600	3,117,600	2,992,600	2,992,600	2,992,600
Federal Funds	24,589,900	24,893,500	24,893,500	24,893,500	24,867,100	24,867,100	24,867,100
TOTAL CURRENT	**42,007,100**	**42,007,100**	**42,007,100**	**42,007,100**	**42,007,100**	**42,007,100**	**42,007,100**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		1,217,800	1,217,800	1,217,800	1,808,300	1,808,300	1,808,300
Restricted Funds		274,300	274,300	274,300	407,300	407,300	407,300
Federal Funds		2,165,000	2,165,000	2,165,000	3,214,800	3,214,800	3,214,800
TOTAL ADDITIONAL		**3,657,100**	**3,657,100**	**3,657,100**	**5,430,400**	**5,430,400**	**5,430,400**

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/E 9 additional staff as per HB 21 & OBRA 90; increased fiscal agent payments due to increased recipient growth & claims processing Branch recommends the transfer of funds previously requested in DSI-Welfare Reform & reduces admin.	G	1,217,800	1,217,800	1,217,800	1,808,300	1,808,300	1,808,300
	R	274,300	274,300	274,300	407,300	407,300	407,300
	F	2,165,000	2,165,000	2,165,000	3,214,800	3,214,800	3,214,800
	Total	**3,657,100**	**3,657,100**	**3,657,100**	**5,430,400**	**5,430,400**	**5,430,400**
RECAP BY FUND SOURCE	**G**	**1,217,800**	**1,217,800**	**1,217,800**	**1,808,300**	**1,808,300**	**1,808,300**
	R	**274,300**	**274,300**	**274,300**	**407,300**	**407,300**	**407,300**
	F	**2,165,000**	**2,165,000**	**2,165,000**	**3,214,800**	**3,214,800**	**3,214,800**
GRAND TOTAL ADDITIONAL BUDGET		3,657,100	3,657,100	3,657,100	5,430,400	5,430,400	5,430,400

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends the transfer of funds previously requested in the Department of Social Insurance-Welfare Reform. The Branch Budget recommends a reduction in central office staff.

HOUSE REPORT

The House concurs with the Branch and directs that, whereas the budget for the Department for Medicaid Services Administration and Benefits for FY 1993-94 is funded on the assumption that the Federal allowance of the current provider assessments under KRS 205.575-578 scheduled to terminate on June 30, 1993, will be revised prior to such date so as to conform to the provisions of the governing federal regulations, the House directs that action on the provider tax be instituted prior to June 30, 1993 in order to ensure that the program shall be eligible to continue the federal funds participation. The Secretary of the Cabinet for Human Resources and the Commissioner of the Department for Medicaid Services shall provide notice to the Houses and Senate or the Interim Joint Committee on Appropriations and Revenue confirming compliance with this directive.

The House also includes in the salary and benefits costs : 1) no funds for non-merit positions in the Commissioner's Office with the exception of 1 commissioner; 2) funds for merit positions filled by employees who were or will be employed in a non-merit position in the Commonwealth of Kentucky between December 1, 1987 and June 30, 1994 at a salary equal to or less than the employee's merit-position salary immediately prior to the employee's first non-merit position in the Commonwealth plus corresponding annual merit increments given to all merit employees for each year since or if no such merit position was held, at a salary equal to or less than the entry level of the present merit position; and 3) funds for other non-merit and merit positions filled on January 31, 1992. Appropriated funds for salary and benefit costs shall be allocated following the General Provisions of the Appropriation Act within the Department for Medicaid Services. Any necessary termination of classified employees shall be done in accordance with KRS 18A.113, KRS 18A.1131, and KRS 18A.1132.

SENATE REPORT
The Senate concurs with the House with the exception that the Senate deletes the language directing that action on the provider tax be instituted prior to June 30, 1993.

The Senate directs that if the Medicaid Program runs a deficit in any fiscal year , the Department for Medicaid Services shall institute a deficit reduction plan which balances program expenditures with available funds by reducing the amount of reimbursement paid to participating medical providers. No reduction shall be made in the level of coverage for services. The Department shall compute the amount of reimbursement reductions as follows: (a) Determine the total amount of the program deficit; (b) Determine the percent of total Medicaid payments received by each covered service category; (c) Calculate the amount of reduction in each service category by multiplying the total amount of program deficit by the percent of total payments received by each service category; and (d) Reduce reimbursement levels for each service category by an amount equal to the results of the calculation in (c). Within thirty (30) days prior to instituting the deficit reduction plan, the Department shall file with the Legislative Research Commission a document detailing the amount of the deficit and the total reductions in reimbursement to medical providers to be made.

The Senate directs that KRS 205.575 (6) (7); KRS 205.576 (7) (10) (11) (12); KRS 205.577 (6) (9) (10) (11); and KRS 205.621 be suspended for the biennium so as to allow variation in the determination of levels of payments to vendors and funding of the Medicaid program expenditures for services.

The Senate also directs that: (1) No hospital may be reimbursed from both the Quality and Charity Care Trust Fund and the Hospital Indigent Care Assurance Program (HICAP) ,as established by KRS 205.575, for the same service to the same patient. (2) Any hospital which knowingly violates this provision shall be subject to a penalty equal to three times the amount of the improper charge to the funds, which amount shall be credited to the General Fund. (3) The Secretary of Human Resources shall have the authority to secure such patient information as needed from the participating facilities in order to determine compliance and enforce this provision

The Senate addresses non-merit positions and salaries for non-merit employees reverting to merit positions in the Administration and Program Support appropriation unit and the Special Provisions of the Act.

CONFERENCE REPORT
The Conference concurs with the Senate with the exception that the Conference modifies the language as follows:

The Conference concurs with the Senate and modifies the language as follows: The General Assembly also directs that: (1) No hospital may be reimbursed from both the Quality and Charity Care Trust Fund and the Hospital Indigent Care Assurance Program (HICAP), as established by KRS 205.575, for the same service to the same patient. (2) Any hospital which willfully violates this provision shall be subject to a penalty equal to three times the amount of the improper charge to the funds, which amount shall be credited to the General Fund. (3) The Secretary of Human Resources shall have the authority to secure such patient information as needed from the participating facilities in order to determine compliance and enforce this provision. Each facility billing and receiving reimbursements from the Quality and Charity Care Trust Fund shall be required to identify each patient by social security number and indicate whether the patient is classified as INDIGENT or MEDICALLY NEEDY.

The Conference also deletes the Senate language concerning provider reimbursement as part of a deficit reduction plan and the suspension of the associated KRS cites be deleted, with the exception of KRS 205.575 (6) and (7), and insert allowance of administrative funding with respect to the suspension of KRS 205.575 (6).

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/29/92
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Governmental Branch: Executive
Cabinet/Function: Human Resources
Agency: Department for Medicaid Services
Unit: Medicaid Benefits

		FY 1991-92	FY 1992-93			FY 1993-94		
		Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:								
FUND SOURCE								
General Fund		345,329,100	417,000,000	417,000,000	417,000,000	468,100,000	468,100,000	468,100,000
Restricted Funds		148,459,100	202,085,000	202,085,000	202,085,000	225,885,000	225,885,000	225,885,000
Federal Funds		1,326,294,200	1,589,566,400	1,589,566,400	1,589,566,400	1,757,392,600	1,757,392,600	1,757,392,600
TOTAL FUNDS		**1,820,082,400**	**2,208,651,400**	**2,208,651,400**	**2,208,651,400**	**2,451,377,600**	**2,451,377,600**	**2,451,377,600**
II. EXPENDITURES BY CATEGORY								
Grants, Loans, Benefits		1,820,082,400	2,208,651,400	2,208,651,400	2,208,651,400	2,451,377,600	2,451,377,600	2,451,377,600
III. CURRENT SERVICES BUDGET								
FUND SOURCE								
General Fund		345,329,100	343,607,700	343,607,700	343,607,700	348,832,500	348,832,500	348,832,500
Restricted Funds		148,459,100	166,708,000	166,708,000	166,708,000	168,459,900	168,459,900	168,459,900
Federal Funds		1,326,294,200	1,309,976,700	1,309,976,700	1,309,976,700	1,303,040,000	1,303,040,000	1,303,040,000
TOTAL CURRENT		**1,820,082,400**	**1,820,292,400**	**1,820,292,400**	**1,820,292,400**	**1,820,332,400**	**1,820,332,400**	**1,820,332,400**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE								
FUND SOURCE								
General Fund			73,392,300	73,392,300	73,392,300	119,267,500	119,267,500	119,267,500
Restricted Funds			35,377,000	35,377,000	35,377,000	57,425,100	57,425,100	57,425,100
Federal Funds			279,589,700	279,589,700	279,589,700	454,352,600	454,352,600	454,352,600
TOTAL ADDITIONAL			**388,359,000**	**388,359,000**	**388,359,000**	**631,045,200**	**631,045,200**	**631,045,200**
V. ADDITIONAL BUDGET ITEMS								
Item#	**Fund Source**		**FY 1992-93**			**FY 1993-94**		
/Type Service Unit/Description	**/Subtotal**		**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
1/E Branch recommends a	G		73,392,300	73,392,300	73,392,300	119,267,500	119,267,500	119,267,500
consolidated funding for expanded	R		35,377,000	35,377,000	35,377,000	57,425,100	57,425,100	57,425,100
services	F		279,589,700	279,589,700	279,589,700	454,352,600	454,352,600	454,352,600
	Total		**388,359,000**	**388,359,000**	**388,359,000**	**631,045,200**	**631,045,200**	**631,045,200**
RECAP BY FUND SOURCE	G		**73,392,300**	**73,392,300**	**73,392,300**	**119,267,500**	**119,267,500**	**119,267,500**
	R		**35,377,000**	**35,377,000**	**35,377,000**	**57,425,100**	**57,425,100**	**57,425,100**
	F		**279,589,700**	**279,589,700**	**279,589,700**	**454,352,600**	**454,352,600**	**454,352,600**
GRAND TOTAL ADDITIONAL BUDGET			388,359,000	388,359,000	388,359,000	631,045,200	631,045,200	631,045,200

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends funding to provide Medicaid coverage for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) as per OBRA 90 federal mandate. The Branch Budget states that all hospitals participating in the HICAP assessment program will be required to provide outpatient services for those eligibles who are currently receiving outpatient services including certified individuals and families with incomes below 100% of poverty. The Branch Budget is constructed to reflect a reduction of $41 million in the disproportionate share payments made to hospitals which were codified in SB 239 and HB 21 with the funds used to fund the program services. The Branch Budget has constructed the FY 1993-94 on the assumption that adjustments to the provider tax legislation will be made to bring Kentucky's taxing process into conformity with the changes in the federal law prior to its June 30, 1993, expiration date.

HOUSE REPORT

The House concurs with the Branch and directs that, whereas the budget for the Department for Medicaid Services Administration and Benefits for FY 1993-94 is funded on the assumption that the Federal allowance of the current provider assessments under KRS 205.575-578 scheduled to terminate on June 30, 1993, will be revised prior to such date so as to conform to the provisions of the governing federal regulations, the House directs that action on the provider tax be instituted prior to June 30, 1993 in order to ensure that the program shall be eligible to continue the federal funds participation. The Secretary of the Cabinet for Human Resources and the Commissioner of the Department for Medicaid Services shall provide notice to the Houses and Senate or the Interim Joint Committee on Appropriations and Revenue confirming compliance with this directive.

No funds are included for additional Nursing Facility Medicaid funded beds.

The House directs that the language in HB 486 requiring hospitals participating in the HICAP program to provide outpatient care for eligibles be deleted.

SENATE REPORT

The Senate concurs with the House with the exception that the Senate deletes the language directing that action on the provider tax be instituted prior to June 30, 1993.

The Senate directs that if the Medicaid Program runs a deficit in any fiscal year , the Department for Medicaid Services shall institute a deficit reduction plan which balances program expenditures with available funds by reducing the amount of reimbursement paid to participating medical providers. No reduction shall be made in the level of coverage for services. The Department shall compute the amount of reimbursement reductions as follows: (a) Determine the total amount of the program deficit; (b) Determine the percent of total Medicaid payments received by each covered service category; (c) Calculate the amount of reduction in each service category by multiplying the total amount of program deficit by the percent of total payments received by each service category; and (d) Reduce reimbursement levels for each service category by an amount equal to the results of the calculation in (c). Within thirty (30) days prior to instituting the deficit reduction plan, the Department shall file with the Legislative Research Commission a document detailing the amount of the deficit and the total reductions in reimbursement to medical providers to be made.

The Senate directs that KRS 205.575 (6) (7); KRS 205.576 (7) (10) (11) (12); KRS 205.577 (6) (9) (10) (11); and KRS 205.621 be suspended for the biennium so as to allow variation in the determination of levels of payments to vendors and funding of the Medicaid program expenditures for services.

The Senate also directs that: (1) No hospital may be reimbursed from both the Quality and Charity Care Trust Fund and the Hospital Indigent Care Assurance Program (HICAP), as established by KRS 205.575, for the same service to the same patient. (2) Any hospital which knowingly violates this provision shall be subject to a penalty equal to three times the amount of the improper charge to the funds, which amount shall be credited to the General Fund. (3) The Secretary of Human Resources shall have the authority to secure such patient information as needed from the participating facilities in order to determine compliance and enforce this provision

CONFERENCE REPORT
The Conference concurs with the Senate with the exception that the following modifications:

The Conference modifies the Senate language as follows: The General Assembly also directs that: (1) No hospital may be reimbursed from both the Quality and Charity Care Trust Fund and the Hospital Indigent Care Assurance Program (HICAP), as established by KRS 205.575, for the same service to the same patient. (2) Any hospital which willfully violates this provision shall be subject to a penalty equal to three times the amount of the improper charge to the funds, which amount shall be credited to the General Fund. (3) The Secretary of Human Resources shall have the authority to secure such patient information as needed from the participating facilities in order to determine compliance and enforce this provision. Each facility billing and receiving reimbursements from the Quality and Charity Care Trust Fund shall be required to identify each patient by social security number and indicate whether the patient is classified as INDIGENT or MEDICALLY NEEDY.

The Conference also deletes the Senate language concerning provider reimbursement as part of a deficit reduction plan and the suspension of the associated KRS cites be deleted, with the exception of KRS 205.575 (6) and (7), and insert allowance of administrative funding with respect to the suspension of KRS 205.575 (6).

The Conference also directs that the following language with respect to the Quality and Charity Care Trust Agreement be included in the Department for Medicaid Services and the University of Louisville sections of the Operating Budget HB 468:
Notwithstanding any other provision of this act or law, in any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement so agree, the General Fund appropriation to fulfill the Commonwealth's contractual obligation relating to the Quality and Charity Care Trust Agreement or any portion thereof, together with any other funds paid to the Quality and Charity Care Trust contractual obligation of the parties , or any portion thereof, shall be transferred to the Department for Medicaid Services as part of its Restricted Fund appropriation for Benefits. In any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement do not agree to transfer all or any portion of the Trust's revenues to the Department of Medicaid Services for Benefits, the Quality and Charity Care Trust shall operate per its contractual provisions.

The Conference reduces the current year General Fund Budget by $250,000 based upon the projected lapse information provided by the Governor's Office for Policy and Management.

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CONFERENCE ANALYSIS
CURRENT YEAR BUDGET REQUESTS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/29/92
7:26 PM

Governmental Branch: **Executive**
Cabinet/Function: **Human Resources**
Agency: **Department for Medicaid Services**
Unit: **Medicaid Benefits**

	Request	Branch	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:**					
FUND SOURCE					
General Fund	345,579,100	345,579,100	345,579,100	345,579,100	345,329,100
Restricted Funds	148,459,100	148,459,100	148,459,100	148,459,100	148,459,100
Federal Funds	1,326,294,200	1,326,294,200	1,326,294,200	1,326,294,200	1,326,294,200
TOTAL FUNDS	**1,820,332,400**	**1,820,332,400**	**1,820,332,400**	**1,820,332,400**	**1,820,082,400**
II. EXPENDITURES BY CATEGORY					
Grants, Loans, Benefits	1,820,332,400	1,820,332,400	1,820,332,400	1,820,332,400	1,820,082,400
III. CURRENT SERVICES BUDGET					
FUND SOURCE					
General Fund	345,579,100	345,579,100	345,579,100	345,579,100	345,329,100
Restricted Funds	148,459,100	148,459,100	148,459,100	148,459,100	148,459,100
Federal Funds	1,326,294,200	1,326,294,200	1,326,294,200	1,326,294,200	1,326,294,200
TOTAL CURRENT	**1,820,332,400**	**1,820,332,400**	**1,820,332,400**	**1,820,332,400**	**1,820,082,400**

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/28/92
4:02 PM

Governmental Branch: Executive
Cabinet/Function: Human Resources
Agency: Department for Employment Services
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
Restricted Funds	6,132,500	5,190,500	5,190,500	5,190,500	5,586,400	5,586,400	5,586,400
Federal Funds	407,759,800	403,400,200	403,400,200	403,400,200	412,987,100	412,987,100	412,987,100
TOTAL FUNDS	**413,892,300**	**408,590,700**	**408,590,700**	**408,590,700**	**418,573,500**	**418,573,500**	**418,573,500**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	40,634,300	39,812,900	39,812,900	39,812,900	40,942,700	40,942,700	40,942,700
Operating Expenses	8,019,300	6,649,300	6,649,300	6,649,300	6,714,700	6,714,700	6,714,700
Grants, Loans, Benefits	364,111,200	362,128,500	362,128,500	362,128,500	370,916,100	370,916,100	370,916,100
Capital Outlay	1,127,500						
TOTAL EXPENDITURES	**413,892,300**	**408,590,700**	**408,590,700**	**408,590,700**	**418,573,500**	**418,573,500**	**418,573,500**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
Restricted Funds	4,732,500	1,992,800	1,992,800	1,992,800	2,035,100	2,035,100	2,035,100
Federal Funds	407,759,800	403,400,200	403,400,200	403,400,200	411,857,300	411,857,300	411,857,300
TOTAL CURRENT	**412,492,300**	**405,393,000**	**405,393,000**	**405,393,000**	**413,892,400**	**413,892,400**	**413,892,400**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Restricted Funds	1,400,000	3,197,700	3,197,700	3,197,700	3,551,300	3,551,300	3,551,300

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/FFR Access Restricted Funds (UI Penalty & Interest Account) to fund 74 (FY93/94) positions respectively & maintain services previously federally funded Branch recommends RA funds replace current FF & add. $ for Welfare Ref. due to expansion of UI eligibility & claims. Branch Budget recommends reduced personnel & operating funding for existing programs in FB 1992-94	R	3,197,700	3,197,700	3,197,700	3,551,300	3,551,300	3,551,300

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
2/E Increase 38 positions (FY93/94) to serve projected increase in Food Stamp Emp. & Trng. (E&T) referrals Branch recommends reduced funding for FB 1992-93; funded in FY 94	F				1,129,800	1,129,800	1,129,800
RECAP BY FUND SOURCE	R	**3,197,700**	**3,197,700**	**3,197,700**	**3,551,300**	**3,551,300**	**3,551,300**
	F				**1,129,800**	**1,129,800**	**1,129,800**
GRAND TOTAL ADDITIONAL BUDGET		**3,197,700**	**3,197,700**	**3,197,700**	**4,681,100**	**4,681,100**	**4,681,100**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends the utilization of the Unemployment Insurance Penalty & Interest Account to replace Federal funding to maintain the current network of Employment Services Local Offices & services. The Branch also recommends the utilization of this fund source to supply the match for Federal funds in the Welfare Reform JOBS program & the Food Stamp Employment & Training program. The withdrawal schedule is: FY 92=$1,400,000; FY93=$3,197,700; FY94=$3,551,300. Such action will result in a reduction of the current balance of the fund by the end of the biennium.

HOUSE REPORT

The House concurs with the Branch and recommends that notwithstanding KRS 341.835, funds from the Unemployment Insurance Penalty and Interest Account shall be used during the 1992-94 biennium by the Department for Employment Services to operate employment and training programs.

The House includes in the salary and benefits costs : 1) no funds for non-merit positions in the Commissioner's Office with the exception of 1 commissioner; 2) funds for merit positions filled by employees who were or will be employed in a non-merit position in the Commonwealth of Kentucky between December 1, 1987 and June 30, 1994 at a salary equal to or less than the employee's merit-position salary immediately prior to the employee's first non-merit position in the Commonwealth plus corresponding annual merit increments given to all merit employees for each year since or if no such merit position was held, at a salary equal to or less than the entry level of the present merit position; and 3) funds for other non-merit and merit positions filled on January 31, 1992. Appropriated funds for salary and benefit costs shall be allocated following the General Provisions of the Appropriation Act within the Department for Employment Services. Any necessary termination of classified employees shall be done in accordance with KRS 18A.113, KRS 18A.1131, and KRS 18A.1132.

SENATE REPORT

The Senate concurs with the House with the exception that the Senate addresses non-merit positions and salaries for non-merit employees reverting to merit positions in the Administration and Program Support appropriation unit and the Special Provisions of the Act.

CONFERENCE REPORT

The Conference concurs with the Senate.

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CONFERENCE ANALYSIS
CURRENT YEAR BUDGET REQUESTS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/29/92
7:27 PM

Governmental Branch: Executive
Cabinet/Function: Human Resources
Agency: Department for Employment Services
Unit:

	Request	Branch	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:					
FUND SOURCE					
Restricted Funds	6,151,700	6,132,500	6,132,500	6,132,500	6,132,500
Federal Funds	407,759,800	407,759,800	407,759,800	407,759,800	407,759,800
TOTAL FUNDS	**413,911,500**	**413,892,300**	**413,892,300**	**413,892,300**	**413,892,300**
II. EXPENDITURES BY CATEGORY					
Personnel Costs	39,696,700	40,634,300	40,634,300	40,634,300	40,634,300
Operating Expenses	8,019,300	8,019,300	8,019,300	8,019,300	8,019,300
Grants, Loans, Benefits	364,111,200	364,111,200	364,111,200	364,111,200	364,111,200
Capital Outlay	2,084,300	1,127,500	1,127,500	1,127,500	1,127,500
TOTAL EXPENDITURES	**413,911,500**	**413,892,300**	**413,892,300**	**413,892,300**	**413,892,300**
III. CURRENT SERVICES BUDGET					
FUND SOURCE					
Restricted Funds	4,326,700	4,732,500	4,732,500	4,732,500	4,732,500
Federal Funds	405,964,100	407,759,800	407,759,800	407,759,800	407,759,800
TOTAL CURRENT	**410,290,800**	**412,492,300**	**412,492,300**	**412,492,300**	**412,492,300**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE					
FUND SOURCE					
Restricted Funds	1,825,000	1,400,000	1,400,000	1,400,000	1,400,000
Federal Funds	1,795,700				
TOTAL ADDITIONAL	**3,620,700**	**1,400,000**	**1,400,000**	**1,400,000**	**1,400,000**

V. ADDITIONAL BUDGET ITEMS/CURRENT YEAR

Item# /Type Service Unit/Description	Fund Source /Subtotal	Request	Branch Budget	House	Senate	Conference
1/FFR Access Restricted Funds (UI Penalty & Interest Account) to fund 37 (FY92) positions & maint. services previously federally funded	R	1,419,200	1,400,000	1,400,000	1,400,000	
2/E Increase 61 positions (FY92) due to expansion of UI eligibility & claims	F	1,795,700				
3/E Increase 20 positions (FY92) to serve projected increase in Food Stamp Emp. & Trng. (E&T) referrals	F	405,800				
GRAND TOTAL		3,620,700	1,400,000	1,400,000	1,400,000	

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Human Resources

Agency: Health Services
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	44,573,300	45,284,000	45,284,000	45,284,000	45,659,000	45,434,000	45,659,000
Restricted Funds	10,734,100	11,119,500	11,119,500	11,119,500	11,307,700	11,307,700	11,307,700
Federal Funds	96,119,100	97,908,100	97,908,100	97,908,100	101,091,900	101,091,900	101,091,900
TOTAL FUNDS	151,426,500	154,311,600	154,311,600	154,311,600	158,058,600	157,833,600	158,058,600
II. EXPENDITURES BY CATEGORY							
Personnel Costs	31,855,800	31,616,700	31,616,700	31,616,700	32,482,700	32,482,700	32,482,700
Operating Expenses	7,147,400	6,950,200	6,950,200	6,950,200	7,090,900	7,090,900	7,090,900
Grants, Loans, Benefits	112,137,800	115,536,400	115,536,400	115,536,400	118,431,000	118,206,000	118,431,000
Capital Outlay	285,500	208,300	208,300	208,300	54,000	54,000	54,000
TOTAL EXPENDITURES	151,426,500	154,311,600	154,311,600	154,311,600	158,058,600	157,833,600	158,058,600
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	44,573,300	42,284,000	42,284,000	42,284,000	42,434,000	42,434,000	42,434,000
Restricted Funds	10,734,100	11,119,500	11,119,500	11,119,500	11,307,700	11,307,700	11,307,700
Federal Funds	96,119,100	97,908,100	97,908,100	97,908,100	101,091,900	101,091,900	101,091,900
TOTAL CURRENT	151,426,500	151,311,600	151,311,600	151,311,600	154,833,600	154,833,600	154,833,600
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		3,000,000	3,000,000	3,000,000	3,225,000	3,000,000	3,225,000

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/N Provide Hepatitis B vaccine to 20,000 infants, 3 doses each @ estimated $8 per dose; Community Disease in Epidemiology program	G	500,000	500,000	500,000	500,000	500,000	500,000

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
2/E Provide preconceptional care to 15,000; 1992 served=3,100 with $50,000	G	200,000	200,000	200,000	200,000	200,000	200,000
3/E Provide well-child care to 3,800; 1992 served= 35,700 with $3,300,000	G	300,000	300,000	300,000	300,000	300,000	300,000
4/E Provide family planning to 2,051; 1992 served=102,578 with $5,941,400	G	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
5/E Provide nutritionists: 1 in Barren River; 1 in Lake Cumberland; 1.5 in Todd, Hopkins, Muhlenberg area; 1992=$921,600	G	100,000	100,000	100,000	100,000	100,000	100,000
6/E Expand Cervical Cancer screening to 3,700 with 40 follow-ups; Total FY 1993: 26,973 served; $620,300 screening costs; $60,000 follow-up costs; and $20,000 education	G	98,000	98,000	98,000	98,000	98,000	98,000
7/E Expand Breast Cancer screening to 3,700 with 40 follow-ups; Total 1993: 14,363 served; $833,100 screening costs; $60,000 follow-up costs; $45,000 personnel and operating	G	227,000	227,000	227,000	227,000	227,000	227,000
8/N Provide outreach grants, up to $25,000 to 15 local health depts. in areas with highest cancer rate or lowest rates of screening	G	375,000	375,000	375,000	375,000	375,000	375,000
9/E Provide Breast/Cervical Cancer public/professional education	G	100,000	100,000	100,000	100,000	100,000	100,000
10/E Expand AIDS education provided by Local Health Departments	G				225,000		225,000
RECAP BY FUND SOURCE	G	3,000,000	3,000,000	3,000,000	3,225,000	3,000,000	3,225,000
GRAND TOTAL ADDITIONAL BUDGET		3,000,000	3,000,000	3,000,000	3,225,000	3,000,000	3,225,000

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends existing services and programs with reduced staff and reduced General Fund dollars and provides additional funding for: 1) immunizations, 2) preconceptional care, 3) well-child care, 4) family planning, 5) nutritionists, 6) cervical and breast cancer screenings, follow-ups, professional and public education, and outreach grants.

The Branch Budget recommends that the Secretary for Human Resources be authorized to transfer appropriations between and among the appropriation units in the Cabinet for Human Resources including the Department for Health Services.

HOUSE REPORT

The House provides existing services and programs, concurs with additional funding for: 1) immunizations, 2) preconceptional care, 3) well-child care, 4) family planning, 5) nutritionists, 6) cervical and breast cancer screenings, follow-ups, professional and public education, and outreach grants, and provides additional funding for AIDS education grants to be awarded directly to local community organizations.

The House includes in the salary and benefits costs: 1) no funds for non-merit positions in the Commissioner's Office with the exception of 1 commissioner or physician commissioner; 2) funds for merit positions filled by employees who were or will be employed in a non-merit position in the Commonwealth of Kentucky between December 1, 1987 and June 30, 1994 at a salary equal to or less than the employee's merit-position salary immediately prior to the employee's first non-merit position in the Commonwealth plus corresponding annual merit increments given to all merit employees for each year since or if no such merit position was held, at a salary equal to or less than the entry level of the present merit position; and 3) funds for other non-merit and merit positions filled on January 31, 1992. Appropriated funds for salary and benefit costs shall be allocated following the General Provisions of the Appropriation Act within the Department for Health Services. Any necessary termination of classified employees shall be done in accordance with KRS 18A.113, KRS 18A.1131, and KRS 18A.1132.

SENATE REPORT

The Senate concurs with the Branch for existing and additional services.

The Senate addresses non-merit positions and salaries for non-merit employees reverting to merit positions in the Administration and Program Support appropriation unit and the Special Provisions of the Act.

CONFERENCE REPORT

The Conference concurs with the House for existing and additional services and the Senate for non-merit positions and salaries for non-merit employees reverting to merit positions.

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Human Resources
Agency: Department for Mental Health/Mental
Unit: Retardation Services

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	104,148,100	117,174,000	117,274,000	117,674,000	122,231,500	123,356,500	124,056,500
Restricted Funds	60,469,900	61,343,800	61,343,800	61,343,800	64,300,500	64,300,500	64,300,500
Federal Funds	21,254,100	20,665,500	20,665,500	20,665,500	21,681,000	21,681,000	21,681,000
TOTAL FUNDS	**185,872,100**	**199,183,300**	**199,283,300**	**199,683,300**	**208,213,000**	**209,338,000**	**210,038,000**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	93,072,100	98,674,600	98,674,600	98,674,600	103,150,900	103,150,900	103,150,900
Operating Expenses	14,006,400	14,223,900	14,223,900	14,223,900	14,221,400	14,221,400	14,221,400
Grants, Loans, Benefits	72,998,200	80,744,800	80,844,800	81,244,800	84,822,500	85,947,500	86,647,500
Debt Service	5,372,100	5,080,100	5,080,100	5,080,100	5,651,700	5,651,700	5,651,700
Capital Outlay	423,300	459,900	459,900	459,900	366,500	366,500	366,500
TOTAL EXPENDITURES	**185,872,100**	**199,183,300**	**199,283,300**	**199,683,300**	**208,213,000**	**209,338,000**	**210,038,000**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	104,148,100	108,288,000	108,288,000	108,288,000	109,296,400	109,296,400	109,296,400
Restricted Funds	60,469,900	60,143,800	60,143,800	60,143,800	63,025,500	63,025,500	63,025,500
Federal Funds	21,254,100	20,665,500	20,665,500	20,665,500	21,681,000	21,681,000	21,681,000
TOTAL CURRENT	**185,872,100**	**189,097,300**	**189,097,300**	**189,097,300**	**194,002,900**	**194,002,900**	**194,002,900**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		8,886,000	8,986,000	9,386,000	12,935,100	14,060,100	14,760,100
Restricted Funds		1,200,000	1,200,000	1,200,000	1,275,000	1,275,000	1,275,000
TOTAL ADDITIONAL		**10,086,000**	**10,186,000**	**10,586,000**	**14,210,100**	**15,335,100**	**16,035,100**

V. ADDITIONAL BUDGET ITEMS

Item#	Fund Source		FY 1992-93			FY 1993-94	
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
1/E/BR/Provide Eastern Ky Psy. Facility contract for 675/900; Acute Care/Residential MH/MR program (non-Medicaid eligibles)	G	4,200,000	4,200,000	4,200,000	5,500,000	5,500,000	5,500,000

Item#	Fund Source		FY 1992-93			FY 1993-94	
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
2/E/Contract for Rape Crisis Centers in Pennyrile, Lake Cumberland, and Ky. River ($96,700 each-FY 1992-93; $102,200 each-FY 1993-94) and Cumberland River Region ($40,000 each year); Local MH/Comm MH	G	330,000	330,000	330,000	346,500	346,500	346,500
3/E/Provide operating cost for 3 eight-bed ICF-MR homes -35 PFT-MR/Residential MH/MR program	R	1,200,000	1,200,000	1,200,000	1,275,000	1,275,000	1,275,000
4/E/Contract up to 15 private-owned 4-bed MR homes for 60 - Local MR/Community MR program	G				1,169,250	1,169,250	1,169,250
5/N/Contract for supportive living for 20 in FY 1993 and 40 in FY 1994 Local MR/Comm. MR program	G	500,000	300,000	500,000	1,000,000	500,000	1,000,000
6/E/Contract supportive employment expansion in Fayette County through Metro Industries Local MR/Comm. MR services	G	200,000		200,000	200,000		200,000
7/E/Provide 55 positions at MH/MR facilities	G	900,000	900,000	900,000	1,000,000	1,000,000	1,000,000
8/FFR/Provide contract for Bluegrass Personal Care Home on Eastern State grounds in Lexington	G	1,038,600	1,038,600	1,038,600	1,090,500	1,090,500	1,090,500
9/E/Provide contracts for 4 eight-bed MR group homes in Shelbyville, Inez, Frankfort, and Murray	G	217,400	217,400	217,400	982,850	982,850	982,850
10/E/Provide debt service for HVAC renovation at Central State Hospital	G				71,000	71,000	71,000
11/E/Provides MH/MR Board expansion and Community Care Grants to MH/MR Boards for MH, MR, and Substance Abuse services	G	1,500,000	2,000,000	2,000,000	1,500,000	2,000,000	2,000,000

Item#	Fund Source	FY 1992-93			FY 1993-94		
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
12/E/Contract MR services to group homes in Mayfield, Paducah, and Owensboro	G				75,000	75,000	75,000
13/E/Contract for Knott County Personal Care Home	G					1,325,000	1,325,000
RECAP BY FUND SOURCE	**G**	**8,886,000**	**8,986,000**	**9,386,000**	**12,935,100**	**14,060,100**	**14,760,100**
	R	**1,200,000**	**1,200,000**	**1,200,000**	**1,275,000**	**1,275,000**	**1,275,000**
GRAND TOTAL ADDITIONAL BUDGET		**10,086,000**	**10,186,000**	**10,586,000**	**14,210,100**	**15,335,100**	**16,035,100**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends existing services and programs with reduced Restricted and Federal Funds and provides additional funding for: 1) Community Care/Support grants to MH/MR boards, 2) Eastern Kentucky Psychiatric Facility, 3) Rape Crisis centers 4) Three 8-bed ICF-MR homes (Restricted Funds), 5) Fifty-five positions at MH/MR facilities, 6) Bluegrass Personal Care Home contract, 7) Flynn Personal Care Facility contract, 8) Four 8-bed MR homes, 9) Debt service for the HVAC renovation at Central State Hospital, 10) Fifteen 4-bed MR home contracts.

Debt service for bond projects has been recommended in the amounts $5,080,100 in FY 1992-93 and $5,651,700 in FY 1993-94 including $71,000 in FY 1993-94 for the HVAC renovation at Central State Hospital. The Branch Budget recommends that the Secretary of the Cabinet for Human Resources be authorized to transfer appropriations between and among the appropriation units in the Cabinet for Human Resources including the Department for Mental Health/Mental Retardation during FB 1992-94.

HOUSE REPORT

The House provides funds for existing services and programs and additional funding for: 1) Community Care/Support grants to MH/MR boards, 2) Eastern Kentucky Psychiatric Facility, 3) Rape Crisis centers 4) Three 8-bed ICF-MR homes including 35 PFT (Restricted Funds), 5) Up to fifty-five positions at MH/MR facilities, 6) Bluegrass Personal Care Home contract, 7) Four 8-bed MR homes, 8) Up to fifteen 4-bed MR home contracts, 9) Supportive living contracts, 10) Supportive employment contract expansion in Fayette County through Metro Industries, 11) Contracts for MR services in Mayfield, Paducah, and Owensboro, and 12) Debt service for the HVAC renovation at Central State Hospital.

Debt service for bond projects is provided in the amounts $5,080,100 in FY 1992-93 and $5,651,700 in FY 1993-94 including $71,000 in FY 1993-94 for the HVAC renovation at Central State Hospital.

The House includes in the salary and benefits costs: 1) no funds for non-merit positions in the Commissioner's Office with the exception of 1 commissioner and non-merit positions located at MH/MR facilities and filled on January 31, 1992; 2) funds for merit positions filled by employees who were or will be employed in a non-merit position in the Commonwealth of Kentucky between December 1, 1987 and June 30, 1994 at a salary equal to or less than the employee's merit-position salary immediately prior to the employee's first non-merit position in the Commonwealth plus corresponding annual merit increments given to all merit employees for each year since or if no such merit position was held, at a salary equal to or less than the entry level of the present merit position; and 3) funds for other non-merit and merit positions filled on January 31, 1992. Appropriated funds for salary and benefit costs shall be allocated following the General Provisions of the Appropriation Act within the Department for Mental Health/Mental Retardation. Any necessary termination of classified employees shall be done in accordance with KRS 18A.113, KRS 18A.1131, and KRS 18A.1132.

SENATE REPORT

The Senate concurs with the House for existing services and programs and additional funding for: 1) Eastern Kentucky Psychiatric Facility, 2) Rape Crisis centers 3) Three 8-bed ICF-MR homes including 35 PFT (Restricted Funds), 4) Up to fifty-five positions at MH/MR facilities, 5) Bluegrass Personal Care Home contract, 6) Four 8-bed MR homes, 7) Up to fifteen 4-bed MR home contracts, 8) Contracts for MR services in Mayfield, Paducah, and Owensboro, and 9) Debt service for the HVAC renovation at Central State Hospital. The Senate revises the House recommendations for: 1) supportive living contracts and 2) MH/MR board expansion and Community Care Grants for MH, MR, and Substance Abuse services and provides funds for the Knott County Personal Care Home.

The Senate addresses non-merit positions and salaries for non-merit employees reverting to merit positions in the Administration and Program Support appropriation unit and the Special Provisions of the Act.

CONFERENCE REPORT

The Conference concurs with the House for existing services and programs and additional funding with the exception of providing $2.0 million each year for Mental Health/Mental Retardation Boards and $1,325,000 in FY 1993-94 for the Knott County Personal Care Home contract.

The Conference directs that to the extent that the $200,000 each year for supportive employment through Metro Industries is not used for the stated purpose the funds shall be used for supportive living services.

The Conference concurs with the Senate for non-merit positions and salaries for non-merit employees reverting to merit positions.

The Conference reduces the current year General Fund Budget by $250,000 based upon the projected lapse information provided by the Governor's Office for Policy and Management.

CONFERENCE ANALYSIS
CURRENT YEAR BUDGET REQUESTS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Human Resources
Agency: Department for Mental Health/Mental Retardation Services
Unit:

	Request	Branch	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:					
FUND SOURCE					
General Fund	102,965,300	104,398,100	104,398,100	104,398,100	104,148,100
Restricted Funds	60,874,600	60,469,900	60,469,900	60,469,900	60,469,900
Federal Funds	21,254,100	21,254,100	21,254,100	21,254,100	21,254,100
TOTAL FUNDS	**185,094,000**	**186,122,100**	**186,122,100**	**186,122,100**	**185,872,100**
II. EXPENDITURES BY CATEGORY					
Personnel Costs	92,407,000	93,322,100	93,322,100	93,322,100	93,072,100
Operating Expenses	14,006,400	14,006,400	14,006,400	14,006,400	14,006,400
Grants, Loans, Benefits	72,885,200	72,998,200	72,998,200	72,998,200	72,998,200
Debt Service	5,372,100	5,372,100	5,372,100	5,372,100	5,372,100
Capital Outlay	423,300	423,300	423,300	423,300	423,300
TOTAL EXPENDITURES	**185,094,000**	**186,122,100**	**186,122,100**	**186,122,100**	**185,872,100**
III. CURRENT SERVICES BUDGET					
FUND SOURCE					
General Fund	102,965,300	104,398,100	104,398,100	104,398,100	104,148,100
Restricted Funds	60,874,600	60,469,900	60,469,900	60,469,900	60,469,900
Federal Funds	21,254,100	21,254,100	21,254,100	21,254,100	21,254,100
TOTAL CURRENT	**185,094,000**	**186,122,100**	**186,122,100**	**186,122,100**	**185,872,100**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Human Resources
Agency: Department for Social Services
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	111,398,000	108,398,400	108,298,400	108,398,400	128,545,000	127,645,000	128,445,000
Restricted Funds	3,611,800	16,831,500	16,831,500	16,831,500	4,537,500	4,537,500	4,537,500
Federal Funds	120,499,800	117,660,400	117,660,400	117,660,400	118,216,800	118,216,800	118,216,800
TOTAL FUNDS	**235,509,600**	**242,890,300**	**242,790,300**	**242,890,300**	**251,299,300**	**250,399,300**	**251,199,300**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	98,618,100	103,198,400	103,198,400	103,198,400	105,349,900	105,349,900	105,349,900
Operating Expenses	16,049,500	13,270,400	13,270,400	13,270,400	14,131,200	14,131,200	14,131,200
Grants, Loans, Benefits	120,255,300	125,943,500	125,843,500	125,943,500	131,179,300	130,279,300	131,079,300
Debt Service	323,600	178,000	178,000	178,000	388,900	388,900	388,900
Capital Outlay	263,100	300,000	300,000	300,000	250,000	250,000	250,000
TOTAL EXPENDITURES	**235,509,600**	**242,890,300**	**242,790,300**	**242,890,300**	**251,299,300**	**250,399,300**	**251,199,300**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	111,398,000	103,904,100	103,904,100	103,904,100	105,921,900	105,921,900	105,921,900
Restricted Funds	3,611,800	16,831,500	16,831,500	16,831,500	4,537,500	4,537,500	4,537,500
Federal Funds	120,499,800	116,365,300	116,365,300	116,365,300	116,421,700	116,421,700	116,421,700
TOTAL CURRENT	**235,509,600**	**237,100,900**	**237,100,900**	**237,100,900**	**226,881,100**	**226,881,100**	**226,881,100**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		4,494,300	4,394,300	4,494,300	22,623,100	21,723,100	22,523,100
Federal Funds		1,295,100	1,295,100	1,295,100	1,795,100	1,795,100	1,795,100
TOTAL ADDITIONAL		**5,789,400**	**5,689,400**	**5,789,400**	**24,418,200**	**23,518,200**	**24,318,200**

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93			FY 1993-94		
		House	Senate	Conference	House	Senate	Conference
1/E Provide new (London) 24-bed boys facility for 72 in FY 1993 and 91 in FY 1994 including 29 PFT; Personnel=$89,000/$500,000; Operating=$0/$400,000; Capital=$100,000/$50,000	G	189,000	189,000	189,000	950,000	950,000	950,000
2/E Provide TWIST case mgt.; lease purchase; related capital budget request-Family Based in Family/Community Program	G				1,810,000	1,810,000	1,810,000
3/E Contract for Family Preservation up to 535 children, FY 1992 served= 4,230; FY 1994 Current=4,830; Family Based in Family/Community Program	G	800,000	800,000	800,000	1,000,000	800,000	1,000,000
4/E Contract spouse abuse shelter for 800, FY 1991-92 served=5,400-Adult Services in Family and Community Services	G	500,000	500,000	500,000	750,000	750,000	750,000
5/N Establish aging ombudsman position, 1 PFT, FY 1991-92=3,900 complaints-Older Americans/Aging program	F	36,100	36,100	36,100	36,100	36,100	36,100
6/N Provide 50 Protective Services Social Workers in Child and Adult Protection services with a minimum of 10 in Adult Protection in Family/Community Program	G	1,200,000	1,200,000	1,200,000	1,250,000	1,250,000	1,250,000
7/E Provide Care and Support growth dollars, including foster care growth, no rate increases in Family/Community Program	G				1,700,000	1,200,000	1,700,000
	F				500,000	500,000	500,000
	Total				**2,200,000**	**1,700,000**	**2,200,000**
8/N Debt service for Central Ky. Re-ed; Project=$2,018,000	G				211,000	211,000	211,000

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
9/E Provide additional operating costs at current Juvenile Facilities; Care and Support=$800,000 in FY 1992-93; $700,000 in FY 1993-94; and Operating =$450,000 in FY 1993-94	G	800,000	800,000	800,000	1,250,000	1,150,000	1,150,000
10/RFR Replace Restricted Funds (Title IV-E) in Family and Community Services	G				12,300,000	12,300,000	12,300,000
11/N Provide 50 additional workers through the Child Care Development Block Grant (CCDBG)	F	1,259,000	1,259,000	1,259,000	1,259,000	1,259,000	1,259,000
12/E Restore Homecare/Adult Day Care total grants; reduce decreases due to population shifts	G	205,300	205,300	205,300	552,100	552,100	552,100
13/E Expand Aging grants in Eastern Kentucky	G	300,000	300,000	300,000	150,000	150,000	150,000
14/E Provide Private Child Care rate increases to currently funded or unfunded in-state contractors allocated to reflect no rate increases	G	500,000	400,000	500,000	700,000	600,000	700,000
RECAP BY FUND SOURCE	**G**	**4,494,300**	**4,394,300**	**4,494,300**	**22,623,100**	**21,723,100**	**22,523,100**
	F	**1,295,100**	**1,295,100**	**1,295,100**	**1,795,100**	**1,795,100**	**1,795,100**
GRAND TOTAL ADDITIONAL BUDGET		**5,789,400**	**5,689,400**	**5,789,400**	**24,418,200**	**23,518,200**	**24,318,200**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends existing services and programs in FB 1992-94 with reduced central office staff and provides additional funding for: 1) personnel and operating costs for the London (Laurel County) Boys Treatment Facility, 2) lease purchase for the Workers Information System (TWIST) data management system, 3) Family Preservation expansion, 4) Spouse Abuse Shelter expansion, 5) Intensive Family-Based services expansion, 6) 50 Child and Adult Protective Services workers, 7) Care and Support growth including Foster Care in the Family and Community Services programs, 8) Debt service for a vocational building at Cardinal Treatment Center in Louisville, the Lexington Re-ed Juvenile Treatment program, and current bond issues, 9) Debt service and operating costs for a Juvenile Detention Center in Morehead, 10) operating costs for Juvenile facilities, 11) General Fund dollars replacement for Federal Title IV-E funds, 12) 50 workers through the Federal Child Care Development Block Grant (CCDBG).

General Fund debt service for bond projects has been recommended in the amounts of $266,200 in FY 1992-93 and $477,000 in FY 1993-94 including the new debt service dollars addressed above. The Branch Budget recommends that the Secretary of the Cabinet for Human Resources be authorized to transfer appropriations between and among the appropriation units in the Cabinet for Human Resources including the Department for Social Services during FB 1992-94.

HOUSE REPORT

The House provides funds for existing services and programs in FB 1992-94 and provides additional funding for: 1) personnel, operating, and capital outlay costs for the London (Laurel County) Boys Treatment Facility, 2) lease purchase for the Workers Information System (TWIST) data management system, 3) Family Preservation expansion, 4) Spouse Abuse Shelter expansion, 5) 50 Child and Adult Protective Services workers, 6) Care and Support growth including Foster Care in the Family and Community Services programs, 7) Debt service for current bond issues and the Lexington Re-ed Juvenile Treatment program, 8) operating and care and support costs for Juvenile Treatment facilities, 9) General Fund dollars replacement for Federal Title IV-E funds, 10) Private child care rate increases, 11) Homecare, 12) Adult day care, 13) Aging grant expansion, 14) federally-funded Aging Ombudsman, 13) 50 workers funded with Federal Child Care Development Block Grant (CCDBG) dollars.

General Fund debt service for bond projects has been provided in the amounts of $178,000 in FY 1992-93 and $388,900 in FY 1993-94 including debt for the Lexington Re-ed.

Funds for administration costs including but not exclusive of the Commissioner's Office and the Division for Program Management shall be allotted, expended, and reported as a separate program code or appropriation unit.

Any unappropriated Title IV-E funds or unexpended appropriated Title IV-E funds shall be expended for: foster care rate increases, child day care, and/or family preservation with prior approval of expenditure plan by the Interim Joint Appropriation and Revenue Committee. These funds shall not replace any appropriated funds.

Any funds collected by the Cabinet for Human Resources for the provisions of KRS 386.180, KRS 387.760, and KRS 388.300 for the performance of guardianship activities shall be deposited in a restricted account and shall be expended only for personnel who perform such duties. These funds shall not be utilized for any other purpose and shall not be included in a Budget Reduction Plan.

The House includes in the salary and benefits costs: 1) no funds for non-merit positions in the Commissioner's Office with the exception of 1 commissioner and no funds for the Quality Assurance Branch; 2) funds for merit positions filled by employees who were or will be employed in a non-merit position in the Commonwealth of Kentucky between December 1, 1987 and June 30, 1994 at a salary equal to or less than the employee's merit-position salary immediately prior to the employee's first non-merit position in the Commonwealth plus corresponding annual merit increments given to all merit employees for each year since or if no such merit position was held, at a salary equal to or less than the entry level of the present merit position; and 3) funds for other non-merit and merit positions filled on January 31, 1992. Appropriated funds for salary and benefit costs shall be allocated following the General Provisions of the Appropriation Act within the Department for Social Services. Any necessary termination of classified employees shall be done in accordance with KRS 18A.113, KRS 18A.1131, and KRS 18A.1132. The employees in the Quality Assurance Branch in the Commissioner's Office and the employees in the Management and Program Evaluation Branch in the Division of Program Management shall be combined to form one evaluation branch within the Division of Program Management to number no more than 14 employees including no more than 3 clerical positions. Based upon position qualifications, the balance of the filled positions shall be employed in the new positions funded in the Appropriation Act.

SENATE REPORT

The Senate concurs with the House for existing services and programs and additional funding for: 1) personnel, operating, and capital outlay costs for the London (Laurel County) Boys Treatment Facility, 2) lease purchase for the Workers Information System (TWIST) data management system, 3) Spouse Abuse Shelter expansion, 4) federally-funded Aging Ombudsman, 5) 50 Child and Adult Protective Services workers, 6) Debt service for current bond issues and the Lexington Re-ed Juvenile Treatment program, 7) General Fund dollars replacement for Federal Title IV-E funds, 8) 50 workers funded with Federal Child Care Development Block Grant (CCDBG) dollars, 9) Homecare and Adult day care, and 10) Aging grant expansion. The Senate also concurs with the administration costs, Title IV-E, and guardianship fee directives.

The Senate revises the House recommendations for: 1) Family Preservation expansion, 2) Care and Support growth including Foster Care in the Family and Community Services programs, 3) operating and care and support costs for Juvenile Treatment facilities, and 4) Private child care rate increases.

-Continued-

The Senate addresses non-merit positions and salaries for non-merit employees reverting to merit positions in the Administration and Program Support appropriation unit and the Special Provisions of the Act.

CONFERENCE REPORT

The Conference concurs with the House for existing services and programs and additional funding with the exception of $800,000 in FY 1992-93 and $1,150,000 in FY 1993-94 for additional operating costs at current Juvenile Treatment facilities. The Conference concurs with the Senate for non-merit employees and salaries for non-merit employees reverting to merit positions.

The Conference reduces the current year General Fund Budget by $500,000 based upon the projected lapse information provided by the Governor's Office for Policy and Management.

BR_15

CONFERENCE ANALYSIS
CURRENT YEAR BUDGET REQUESTS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/28/92
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Governmental Branch: **Executive**
Cabinet/Function: **Human Resources**
Agency: **Department for Social Services**
Unit:

	Request	Branch	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:					
FUND SOURCE					
General Fund	112,916,800	111,898,000	111,898,000	111,898,000	111,398,000
Restricted Funds	3,611,800	3,611,800	3,611,800	3,611,800	3,611,800
Federal Funds	122,140,800	120,499,800	120,499,800	120,499,800	120,499,800
TOTAL FUNDS	**238,669,400**	**236,009,600**	**236,009,600**	**236,009,600**	**235,509,600**
II. EXPENDITURES BY CATEGORY					
Personnel Costs	101,203,600	98,618,100	98,618,100	98,618,100	98,618,100
Operating Expenses	16,049,500	16,049,500	16,049,500	16,049,500	16,049,500
Grants, Loans, Benefits	120,755,300	120,755,300	120,755,300	120,755,300	120,255,300
Debt Service	397,900	323,600	323,600	323,600	323,600
Capital Outlay	263,100	263,100	263,100	263,100	263,100
TOTAL EXPENDITURES	**238,669,400**	**236,009,600**	**236,009,600**	**236,009,600**	**235,509,600**
III. CURRENT SERVICES BUDGET					
FUND SOURCE					
General Fund	112,916,800	111,898,000	111,898,000	111,898,000	111,398,000
Restricted Funds	3,611,800	3,611,800	3,611,800	3,611,800	3,611,800
Federal Funds	119,877,800	120,499,800	120,499,800	120,499,800	120,499,800
TOTAL CURRENT	**236,406,400**	**236,009,600**	**236,009,600**	**236,009,600**	**235,509,600**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE					
FUND SOURCE					
Federal Funds	2,263,000				

V. ADDITIONAL BUDGET ITEMS/CURRENT YEAR

Item# /Type Service Unit/Description	**Fund Source /Subtotal**	**Request**	**Branch Budget**	**House**	**Senate**	**Conference**
1/E/Provide non-recurring IV-E funds for salary equity costs equal to 46 PFT-Family based/Family program	F	1,566,700				

Item# /Type Service Unit/Description	Fund Source /Subtotal	Request	Branch Budget	House	Senate	Conference
2/E/Provide non-recurring IV-E funds for salary equity costs equal to 18 PFT, reducing case loads from 47 to 40-Adult/Family program	F	437,700				
3/E/Provide non-recurring IV-E funds for salary equity costs equal to 8 PFT-Residential/Juvenile program	F	258,600				
GRAND TOTAL		**2,263,000**				

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93			FY 1993-94		
		House	Senate	Conference	House	Senate	Conference
2/E CORE Program expansion-11 additional staff: implement federal mandate for 'front-end' care review. Branch funded as requested.	G	169,300	169,300	169,300	175,500	175,500	175,500
	F	169,200	169,200	169,200	175,500	175,500	175,500
	Total	**338,500**	**338,500**	**338,500**	**351,000**	**351,000**	**351,000**
RECAP BY FUND SOURCE	G	**244,300**	**244,300**	**244,300**	**252,700**	**252,700**	**252,700**
	F	**244,200**	**244,200**	**244,200**	**252,700**	**252,700**	**252,700**
GRAND TOTAL ADDITIONAL BUDGET		**488,500**	**488,500**	**488,500**	**505,400**	**505,400**	**505,400**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends funding for the implementation of: the OBRA 90 federal mandated Nursing Home Reform enforcement processes; Adult & Child Abuse Investigations; Cooperative Review of Eligibility (CORE). The Branch recommends reduced funding for Merit Staff & operating expenses.

HOUSE REPORT

The House concurs with the Branch and directs that funds are included for salary and benefit costs for Cabinet for Human Resources, Commission for Handicapped Children, and Commission for Health Economics Control employees in the following specified order based upon January 31, 1992 filled positions unless otherwise stated: a) non-merit employees located at MH/MR facilities; b) 1 cabinet secretary; c) 1 cabinet budget officer; d) 1 commissioner in each of DSS, DMH/MR, DMS, DSI, and DES; e) 1 commissioner or physician commissioner in DHS; f) 1 Division director, Physician director, or Office Head employed in current position prior to January 1, 1991 per 75 permanent full-time central office employees until June 30, 1993 and 1 per each 110 PFT central office employees after July 1, 1993 based upon a cabinet distribution with the Cabinet Secretary determining the number to be in each department; and upon January 31, 1992 filled positions or funded positions in the Enacted Budget whichever is lower; g) Classified employees as provided in KRS 18A.113 Lay-off rules-General; KRS 18A.1131 Lay-off rules applicable to classified employees only; and KRS 18A.1132 Lay-off rules applicable to both classified and unclassified employees; h) Any merit or classified employees not covered in KRS 18A.113; KRS 18A.1131, or KRS 18A. 1132; i) Division directors or Office Heads employed after January 1, 1991; and j) Other non-classified/non-merit positions. No employee shall be terminated or involuntarily transferred prior to the allocation of salary and benefit dollars according to this plan. Funds are appropriated for filled director/office head positions within the Cabinet for Human Resources to permit CHR to determine which director/office head positions to retain based upon the Appropriation Act. Funds appropriated for positions above the budgeted number shall be used for salary and benefits costs for other CHR employees in accordance with KRS 18A.113; KRS 18A.1131, and KRS 18A. 1132 and the Appropriation Act.

No funds are included for incremental salary increases for non-merit positions in the Cabinet for Human Resources, Commission for Handicapped Children, or Commission for Health Economics Control.

Notwithstanding KRS 45.229, subject to the conditions, procedures, and limitation on salary and benefit costs for non-merit employees in the Appropriation Act including the Budget Memorandum and in accordance with KRS 18A.113, KRS 18A.1131, and KRS 18A.1132., any unexpended General Fund appropriation in the Department for Social Insurance-Benefits or Department for Social Insurance-Welfare Reform occurring during Fiscal Year 1991-92 up to $3,500,000 shall not lapse but shall be carried forward into the next fiscal year for salary and benefit costs for merit employees within the Cabinet for Human Resources

Any authorizations in the Appropriation Act with respect to transfer, increase, or decrease of appropriated funds for the Cabinet for Human Resources shall be in accordance with the General Provisions of the Appropriations Act.

-Continued-

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/28/92
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Governmental Branch: Executive
Cabinet/Function: Human Resources
Agency: Administration & Program Support
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	17,699,600	16,022,000	16,022,000	16,022,000	16,569,000	16,569,000	16,569,000
Restricted Funds	8,095,300	5,993,200	5,993,200	5,993,200	6,068,300	6,068,300	6,068,300
Federal Funds	17,310,800	16,111,700	16,111,700	16,111,700	16,633,900	16,633,900	16,633,900
TOTAL FUNDS	**43,105,700**	**38,126,900**	**38,126,900**	**38,126,900**	**39,271,200**	**39,271,200**	**39,271,200**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	25,961,500	22,757,100	22,057,100	22,057,100	23,615,400	22,915,400	22,915,400
Operating Expenses	9,850,600	8,163,200	8,863,200	8,863,200	8,103,000	8,803,000	8,803,000
Grants, Loans, Benefits	1,243,500	1,214,800	1,214,800	1,214,800	1,214,800	1,214,800	1,214,800
Debt Service	5,537,100	5,835,600	5,835,600	5,835,600	6,284,800	6,284,800	6,284,800
Capital Outlay	513,000	156,200	156,200	156,200	53,200	53,200	53,200
TOTAL EXPENDITURES	**43,105,700**	**38,126,900**	**38,126,900**	**38,126,900**	**39,271,200**	**39,271,200**	**39,271,200**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	17,699,600	15,777,700	15,777,700	15,777,700	16,316,300	16,316,300	16,316,300
Restricted Funds	8,095,300	5,993,200	5,993,200	5,993,200	6,068,300	6,068,300	6,068,300
Federal Funds	17,310,800	15,867,500	15,867,500	15,867,500	16,381,200	16,381,200	16,381,200
TOTAL CURRENT	**43,105,700**	**37,638,400**	**37,638,400**	**37,638,400**	**38,765,800**	**38,765,800**	**38,765,800**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		244,300	244,300	244,300	252,700	252,700	252,700
Federal Funds		244,200	244,200	244,200	252,700	252,700	252,700
TOTAL ADDITIONAL		**488,500**	**488,500**	**488,500**	**505,400**	**505,400**	**505,400**

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	**Fund Source /Subtotal**	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/N OIG- personal service contract:	G	75,000	75,000	75,000	77,200	77,200	77,200
to implement possible long-term	F	75,000	75,000	75,000	77,200	77,200	77,200
care facility oversight per OBRA'87	Total	**150,000**	**150,000**	**150,000**	**154,400**	**154,400**	**154,400**
Branch funded as requested							

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Human Resources
Agency: **Commission for Handicapped Children**
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	7,895,500	7,895,000	7,895,000	7,895,000	7,995,000	7,995,000	7,995,000
Restricted Funds	1,500,000	1,545,000	1,545,000	1,545,000	1,591,400	1,591,400	1,591,400
Federal Funds	4,242,000	4,134,800	4,134,800	4,134,800	4,134,800	4,134,800	4,134,800
TOTAL FUNDS	**13,637,500**	**13,574,800**	**13,574,800**	**13,574,800**	**13,721,200**	**13,721,200**	**13,721,200**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	3,193,600	3,332,600	3,332,600	3,332,600	3,417,100	3,417,100	3,417,100
Operating Expenses	613,100	544,100	544,100	544,100	544,100	544,100	544,100
Grants, Loans, Benefits	9,636,100	9,698,100	9,698,100	9,698,100	9,760,000	9,760,000	9,760,000
Capital Outlay	194,700						
TOTAL EXPENDITURES	**13,637,500**	**13,574,800**	**13,574,800**	**13,574,800**	**13,721,200**	**13,721,200**	**13,721,200**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	7,895,500	7,895,000	7,895,000	7,895,000	7,995,000	7,995,000	7,995,000
Restricted Funds	1,500,000	1,545,000	1,545,000	1,545,000	1,591,400	1,591,400	1,591,400
Federal Funds	4,242,000	4,134,800	4,134,800	4,134,800	4,134,800	4,134,800	4,134,800
TOTAL CURRENT	**13,637,500**	**13,574,800**	**13,574,800**	**13,574,800**	**13,721,200**	**13,721,200**	**13,721,200**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends existing services and programs in FB 1992-94 with reduced funding and no capital outlay expenditures.

HOUSE REPORT

The House provides existing services in FB 1992-94 and no capital outlay.

The House includes in the salary and benefits costs: 1) no funds for non-merit positions in the Director's Office; 2) funds for merit positions filled by employees who were or will be employed in a non-merit position in the Commonwealth of Kentucky between December 1, 1987 and June 30, 1994 at a salary equal to or less than the employee's merit-position salary immediately prior to the employee's first non-merit position in the Commonwealth plus corresponding annual merit increments given to all merit employees for each year since or if no such merit position was held, at a salary equal to or less than the entry level of the present merit position; and 3) funds for other non-merit and merit positions filled on January 31, 1992. Appropriated funds shall be allocated following the General Provisions of the Appropriation Act within the Commission for Handicapped. Any necessary termination of classified employees shall be done in accordance with KRS 18A.113, KRS 18A.1131, and KRS 18A.1132.

Notwithstanding other provisions to the contrary including KRS 213.141, the secretary shall promulgate such administrative regulations to prescribe user fee amounts which are provided in the applicable restricted fund appropriations with the written approval of the State Budget Director and the Secretary of the Finance and Administration Cabinet. Such actions and approvals shall be reported simultaneously, in writing, to the Interim Joint Committee on Appropriations and Revenue. Changes in user fee amounts not requiring revised administration regulations shall be reported 30 days prior to the effective date of the change, in writing, to the Interim Joint Committee on Appropriations and Revenue and include the written approval of the State Budget Director and the Secretary of the Finance and Administration Cabinet.

The House includes in the salary and benefits costs : 1) no funds for non-merit positions in the Office of the Secretary with the exception of 1 cabinet secretary and 1 budget officer; in the Office of Administrative Services, Director's office with the exception of 1 office head; and in the Office of Inspector General with the exception of 1 office head; 2) funds for merit positions filled by employees who were or will be employed in a non-merit position in the Commonwealth of Kentucky between December 1, 1987 and June 30, 1994 at a salary equal to or less than the employee's merit-position salary immediately prior to the employee's first non-merit position in the Commonwealth plus corresponding annual merit increments given to all merit employees for each year since or if no such merit position was held, at a salary equal to or less than the entry level of the present merit position; and 3) funds for other non-merit and merit positions filled on January 31, 1992. Appropriated funds for salary and benefit costs shall be allocated following the General Provisions of the Appropriation Act within Administration and Program Support. Any necessary termination of classified employees shall be done in accordance with KRS 18A.113, KRS 18A.1131, and KRS 18A.1132.

SENATE REPORT
The Senate concurs with the House with respect to the transfer, increase, or decrease of appropriated funds as per the General Provisions of the Appropriation Act and implementation of user fees.

The Senate deletes the House provision permitting the Cabinet to retain lapse dollars dedicated for salary and benefit costs for merit employees.

The Senate provides funds for the following non-merit staffing positions in the various Cabinet appropriation units: Commission for Health Economics Control=three (3); Commission for Handicapped Children=four (4) ; Administration and Program Support=Twenty-one (21); Mental Health/Mental Retardation=seven (7) excluding non-merit positions currently located at MH/MR facilities; Health Services=ten (10); Employment Services=seven (7); Social Insurance=eight(8); Medicaid Services=six (6); Social Services=eight (8) for a total of seventy-four (74).

The Senate includes funds for merit positions filled by employees who were or will be employed in a non-merit position in the Commonwealth of Kentucky between December 1, 1987 and June 30, 1994 at a salary equal to or less than the employee's merit-position salary immediately prior to the employee's first non-merit position in the Commonwealth plus corresponding annual merit increments given to all merit employees for each year since or if no such merit position was held, at a salary equal to or less than the entry level of the present merit position.

The Senate directs the Secretary to expend up to $150,000 discretionary Restricted Funds to provide a Senior Citizens Information Network within the Office of Communications.

CONFERENCE REPORT
The Conference concurs with the Senate.

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/28/92
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Governmental Branch: Executive
Cabinet/Function: Human Resources
Agency: Commission for Health Economic Control
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	473,600	423,000	423,000	423,000	423,000	423,000	423,000
Restricted Funds	290,900	152,700	152,700	152,700	116,700	116,700	116,700
TOTAL FUNDS	**764,500**	**575,700**	**575,700**	**575,700**	**539,700**	**539,700**	**539,700**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	719,500	540,600	540,600	540,600	504,600	504,600	504,600
Operating Expenses	44,000	35,100	35,100	35,100	35,100	35,100	35,100
Capital Outlay	1,000						
TOTAL EXPENDITURES	**764,500**	**575,700**	**575,700**	**575,700**	**539,700**	**539,700**	**539,700**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	473,600	423,000	423,000	423,000	423,000	423,000	423,000
Restricted Funds	290,900	152,700	152,700	152,700	116,700	116,700	116,700
TOTAL CURRENT	**764,500**	**575,700**	**575,700**	**575,700**	**539,700**	**539,700**	**539,700**

BUDGET MODIFICATION REPORT
BRANCH BUDGET

The Branch Budget recommends reduced funding by reducing Merit Staff.& operating expenses.

HOUSE REPORT

The House concurs with the branch and directs that, notwithstanding KRS 216B.025 and .035, and includes in the salary and benefits costs : 1) funds for merit positions filled by employees who were or will be employed in a non-merit position in the Commonwealth of Kentucky between December 1, 1987 and June 30, 1994 at a salary equal to or less than the employee's merit-position salary immediately prior to the employee's first non-merit position in the Commonwealth plus corresponding annual merit increments given to all merit employees for each year since or if no such merit position was held, at a salary equal to or less than the entry level of the present merit position; and 2) merit positions filled on January 31, 1992. Appropriated funds shall be allocated following the General Provisions of the Appropriation Act within the Commission for Health Economic Control. Any necessary termination of classified employees shall be done in accordance with KRS 18A.113, KRS 18A.1131, and KRS 18A.1132.

SENATE REPORT

The Senate concurs with the House with the exception that the Senate addresses non-merit positions and salaries for non-merit employees reverting to merit positions in the Administration and Program Support appropriation unit and the Special Provisions of the Act.

CONFERENCE REPORT

The Conference concurs with the Senate.

SENATE REPORT
The Senate concurs with the House for existing services and programs.

The Senate addresses non-merit positions and salaries for non-merit employees reverting to merit positions in the Administration and Program Support appropriation unit and the Special Provisions of the Act.

CONFERENCE REPORT
The Conference concurs with the Senate.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

CABINET/FUNCTION: HUMAN RESOURCES CABINET

03/30/92

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	DEPT FOR HEALTH SERVICES										
1	ENVIR. MONITOR SYSTEM(MAXEY FLATS)	CC				165,000	165,000	165,000	165,000	165,000	165,000
AGENCY	**TOTAL**					**165,000**	**165,000**	**165,000**	**165,000**	**165,000**	**165,000**
Capital Construction Surplus						165,000	165,000	165,000	165,000	165,000	165,000
AGENCY	**TOTAL**					**165,000**	**165,000**	**165,000**	**165,000**	**165,000**	**165,000**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HUMAN RESOURCES CABINET

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY: OFFICE OF ADMINISTRATIVE SERVICES										
0 HUMAN SERVICES CONSTRUCTION POOL *Reauthorization*										
1 MISCELLANEOUS PROJECTS CASH POOL	II				400,000	400,000	400,000	400,000	400,000	400,000
AGENCY	**TOTAL**				**400,000**	**400,000**	**400,000**	**400,000**	**400,000**	**400,000**
Investment Income					400,000	400,000	400,000	400,000	400,000	400,000
AGENCY	**TOTAL**				**400,000**	**400,000**	**400,000**	**400,000**	**400,000**	**400,000**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HUMAN RESOURCES CABINET

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**DEPT FOR MENTAL HEALTH & MENTAL RETARDATION SERVS**										
0	HAZELWOOD PROJECT *Reauthorization*										
1	MISCELLANEOUS PROJECTS CASH POOL	II				475,000	475,000	475,000	400,000	400,000	400,000
3	CENTRAL STATE HOSPITAL-HVAC BINGHAM	BF				649,000	649,000	649,000			
AGENCY		**TOTAL**				**1,124,000**	**1,124,000**	**1,124,000**	**400,000**	**400,000**	**400,000**
Bond Fund						649,000	649,000	649,000			
Investment Income						475,000	475,000	475,000	400,000	400,000	400,000
AGENCY		**TOTAL**				**1,124,000**	**1,124,000**	**1,124,000**	**400,000**	**400,000**	**400,000**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

CABINET/FUNCTION: **HUMAN RESOURCES CABINET**

03/30/92

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY: DEPT FOR EMPLOYMENT SERVICES										
1 UNEMPLOYMENT INSURANCE SCANNER	FF				925,000	925,000	925,000			
AGENCY	**TOTAL**				**925,000**	**925,000**	**925,000**			
Federal Fund					925,000	925,000	925,000			
AGENCY	**TOTAL**				**925,000**	**925,000**	**925,000**			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HUMAN RESOURCES CABINET

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**DEPT FOR SOCIAL SERVICES**										
0	CARDINAL TREATMENT CENTER VOC. BLDG *Reauthorization*										
1	MISCELLANEOUS PROJECTS CASH POOL	II				400,000	400,000	400,000	300,000	300,000	300,000
3	THEWORKERS INFORMATIONSYSTEM(TWIST)	FF							1,800,000	1,800,000	1,800,000
5	CENTRAL KY. RE-ED - REPLACEMENT	BF							2,018,000	2,018,000	2,018,000
AGENCY	**TOTAL**					**400,000**	**400,000**	**400,000**	**4,118,000**	**4,118,000**	**4,118,000**
Federal Fund									1,800,000	1,800,000	1,800,000
Bond Fund									2,018,000	2,018,000	2,018,000
Investment Income						400,000	400,000	400,000	300,000	300,000	300,000
AGENCY	**TOTAL**					**400,000**	**400,000**	**400,000**	**4,118,000**	**4,118,000**	**4,118,000**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HUMAN RESOURCES CABINET

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY: DEPT FOR SOCIAL INSURANCE										
1 KAMES IM PROJECT	FF				122,000	122,000	122,000			
	RF				122,000	122,000	122,000			
AGENCY	TOTAL				244,000	244,000	244,000			
Federal Fund					122,000	122,000	122,000			
Restricted Fund					122,000	122,000	122,000			
AGENCY	TOTAL				244,000	244,000	244,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: HUMAN RESOURCES CABINET

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
CABINET/FUNCTION	**TOTAL**				**3,258,000**	**3,258,000**	**3,258,000**	**5,083,000**	**5,083,000**	**5,083,000**
Federal Fund					1,047,000	1,047,000	1,047,000	1,800,000	1,800,000	1,800,000
Restricted Fund					122,000	122,000	122,000			
Bond Fund					649,000	649,000	649,000	2,018,000	2,018,000	2,018,000
Investment Income					1,275,000	1,275,000	1,275,000	1,100,000	1,100,000	1,100,000
Capital Construction Surplus					165,000	165,000	165,000	165,000	165,000	165,000
CABINET/FUNCTION	**TOTAL**				**3,258,000**	**3,258,000**	**3,258,000**	**5,083,000**	**5,083,000**	**5,083,000**

1992 GENERAL ASSEMBLY

FB 1992-94 STATE/EXECUTIVE BRANCH BUDGET MEMORANDUM

VOLUME II

APRIL 1, 1992

1992 GENERAL ASSEMBLY

FB 1992-94 STATE/EXECUTIVE BRANCH BUDGET MEMORANDUM

JU. JUSTICE

APRIL 1, 1992

1992 GENERAL ASSEMBLY
FB 1992-94 CONFERENCE ANALYSIS
GENERAL FUND SUMMARY

FUNCTION: Justice

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
Administration	2,598,200	2,510,500	2,119,200	2,119,200	3,012,800	2,184,700	2,184,700
State Police	72,128,700	42,575,500	42,575,500	41,575,500	44,685,300	44,685,300	43,685,300
Criminal Justice Training							
Operating Budget Total	74,726,900	45,086,000	44,694,700	43,694,700	47,698,100	46,870,000	45,870,000
Capital Budget							
Grand Total	**74,726,900**	**45,086,000**	**44,694,700**	**43,694,700**	**47,698,100**	**46,870,000**	**45,870,000**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Justice
Agency: Summary
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	74,726,900	45,086,000	44,694,700	43,694,700	47,698,100	46,870,000	45,870,000
Restricted Funds	30,369,500	21,184,300	21,184,300	21,184,300	21,670,700	21,670,700	21,670,700
Federal Funds	12,742,400	12,457,700	12,457,700	12,457,700	12,446,100	12,446,100	12,446,100
Road Fund		27,750,000	27,750,000	28,750,000	27,750,000	27,750,000	28,750,000
TOTAL FUNDS	**117,838,800**	**106,478,000**	**106,086,700**	**106,086,700**	**109,564,900**	**108,736,800**	**108,736,800**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	67,201,400	67,749,400	67,749,400	67,749,400	69,125,400	69,125,400	69,125,400
Operating Expenses	27,293,000	16,673,900	16,673,900	16,673,900	17,899,500	17,649,500	17,649,500
Grants, Loans, Benefits	17,235,000	18,141,100	17,838,000	17,838,000	18,613,600	18,123,600	18,123,600
Debt Service	1,571,800	1,496,800	1,408,600	1,408,600	1,486,900	1,398,800	1,398,800
Capital Outlay	4,537,600	2,334,800	2,334,800	2,334,800	2,439,500	2,439,500	2,439,500
Construction		82,000	82,000	82,000			
TOTAL EXPENDITURES	**117,838,800**	**106,478,000**	**106,086,700**	**106,086,700**	**109,564,900**	**108,736,800**	**108,736,800**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	74,726,900	44,896,600	44,694,700	43,694,700	47,078,000	46,870,000	45,870,000
Restricted Funds	30,369,500	21,184,300	21,184,300	21,184,300	21,670,700	21,670,700	21,670,700
Federal Funds	12,742,400	12,457,700	12,457,700	12,457,700	12,446,100	12,446,100	12,446,100
Road Fund		27,750,000	27,750,000	28,750,000	27,750,000	27,750,000	28,750,000
TOTAL CURRENT	**117,838,800**	**106,288,600**	**106,086,700**	**106,086,700**	**108,944,800**	**108,736,800**	**108,736,800**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		189,400			620,100		

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Justice

Agency: State Police
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	72,128,700	42,575,500	42,575,500	41,575,500	44,685,300	44,685,300	43,685,300
Restricted Funds	6,037,800	3,019,500	3,019,500	3,019,500	3,143,900	3,143,900	3,143,900
Federal Funds	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Road Fund		27,750,000	27,750,000	28,750,000	27,750,000	27,750,000	28,750,000
TOTAL FUNDS	**83,166,500**	**78,345,000**	**78,345,000**	**78,345,000**	**80,579,200**	**80,579,200**	**80,579,200**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	62,664,100	63,181,900	63,181,900	63,181,900	64,375,100	64,375,100	64,375,100
Operating Expenses	14,552,000	11,371,200	11,371,200	11,371,200	12,367,400	12,367,400	12,367,400
Grants, Loans, Benefits	1,375,300	1,375,300	1,375,300	1,375,300	1,375,300	1,375,300	1,375,300
Debt Service	290,300	291,000	291,000	291,000	279,700	279,700	279,700
Capital Outlay	4,284,800	2,043,600	2,043,600	2,043,600	2,181,700	2,181,700	2,181,700
Construction Outlay		82,000	82,000	82,000			
TOTAL EXPENDITURES	**83,166,500**	**78,345,000**	**78,345,000**	**78,345,000**	**80,579,200**	**80,579,200**	**80,579,200**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	72,128,700	42,575,500	42,575,500	41,575,500	44,685,300	44,685,300	43,685,300
Restricted Funds	6,037,800	3,019,500	3,019,500	3,019,500	3,143,900	3,143,900	3,143,900
Federal Funds	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Road Fund		27,750,000	27,750,000	28,750,000	27,750,000	27,750,000	28,750,000
TOTAL CURRENT	**83,166,500**	**78,345,000**	**78,345,000**	**78,345,000**	**80,579,200**	**80,579,200**	**80,579,200**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94. Road Fund monies in the amount of $27,750,000 in FY 1992-93 and $27,750,000 in FY 1993-94 are recommended to support part of the operations of the State Police. Although the authorized sworn officer complement is 1,000 officers, funding in the Branch Budget is sufficient to support only the current actual complement of 970 officers. Monies to purchase motor vehicles are reduced from the current year appropriation of $2.9 million, to $975,000 in each year of the next biennium. These monies will allow the purchase of 75 motor vehicles each year, compared to the 193 motor vehicles that are budgeted to be purchased in the current year. Motor fuels monies are cut by $1 million, to $1.6 million in each year of the next biennium. Funding for maintenance activities and supplies are reduced by $2 million each year. Monies to support maintenance agreements on items such as the Integrated Criminal Apprehension Program (ICAP) System, are not budgeted. $824,900 in each fiscal year of the next biennium of General Fund monies are provided to support 85 Facilities Security officers. $1.4 million in Restricted Fund monies are expected to be generated each year from charges to governmental agencies (for security) to complete the support of this activity.

HOUSE REPORT
The House concurs with the Branch Budget recommendations.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the House and the Senate, with the following exception: General Fund monies totaling $1 million in each year of the next biennium have been removed from the State Police budget and replaced with $1 million, each year of Road Fund monies.

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive
Cabinet/Function: Justice
Agency: Justice Administration
Unit: Summary

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	2,598,200	2,510,500	2,119,200	2,119,200	3,012,800	2,184,700	2,184,700
Restricted Funds	1,450,600	1,199,400	1,199,400	1,199,400	1,182,200	1,182,200	1,182,200
Federal Funds	7,742,400	7,457,700	7,457,700	7,457,700	7,446,100	7,446,100	7,446,100
TOTAL FUNDS	**11,791,200**	**11,167,600**	**10,776,300**	**10,776,300**	**11,641,100**	**10,813,000**	**10,813,000**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	2,251,100	2,074,000	2,074,000	2,074,000	2,136,000	2,136,000	2,136,000
Operating Expenses	3,900,800	3,342,600	3,342,600	3,342,600	3,591,900	3,341,900	3,341,900
Grants, Loans, Benefits	5,455,000	5,521,500	5,218,400	5,218,400	5,698,000	5,208,000	5,208,000
Debt Service		88,200			88,100		
Capital Outlay	184,300	141,300	141,300	141,300	127,100	127,100	127,100
TOTAL EXPENDITURES	**11,791,200**	**11,167,600**	**10,776,300**	**10,776,300**	**11,641,100**	**10,813,000**	**10,813,000**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	2,598,200	2,321,100	2,119,200	2,119,200	2,392,700	2,184,700	2,184,700
Restricted Funds	1,450,600	1,199,400	1,199,400	1,199,400	1,182,200	1,182,200	1,182,200
Federal Funds	7,742,400	7,457,700	7,457,700	7,457,700	7,446,100	7,446,100	7,446,100
TOTAL CURRENT	**11,791,200**	**10,978,200**	**10,776,300**	**10,776,300**	**11,021,000**	**10,813,000**	**10,813,000**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		189,400			620,100		

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1 Provide monies to restore support for the Gateway Juvenile Diversion Center.	G	23,100			17,000		
2 Provide monies to support a Daviess County Juvenile Diversion Center.	G	78,100			78,100		

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
3 Provide monies to support a Secure Juvenile Facility in McCracken County.	G				186,900		
4 Provide monies to support the Debt Service Payment on the Rowan County Secure Juvenile Facility.	G	88,200			88,100		
5 Provide monies to support the operations of the Rowan County Secure Juvenile Facility.	G				250,000		
RECAP BY FUND SOURCE	G	**189,400**			**620,100**		
GRAND TOTAL ADDITIONAL BUDGET		**189,400**			**620,100**		

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for current services in the Justice Administration appropriation unit. The Office of the Secretary's budget for FY 1992-93 totals $648,500, which represents an 8% reduction from current year funding levels. In the Grants Management Program, General Fund recommendations for the Gateway Juvenile Diversion Center in Mt. Sterling total approximately $202,000 in FY 1992-93 and $208,000 in FY 1993-94. This compares to the current year revised appropriation to Gateway of $238,000. General Fund monies recommended to support contracts for forensic pathological services are reduced by $44,100 in FY 1992-93 (from $773,100 to $729,000). These General Fund monies cover contracts with the University of Kentucky, University of Louisville, Trover Clinic (Madisonville), St. Luke (N. Kentucky) and other forensic pathological service providers. Restricted Fund monies budgeted from the DUI Service Fee receipts total $1,003,400 in FY 1992-93 and $1,004,000 in FY 1993-94. These monies are recommended at the agency request level.

HOUSE REPORT

The House accepts the Branch Budget recommendations with the following exceptions: $225,000 in each year of the next biennium is appropriated from the General Fund to support the operations of the Gateway Juvenile Detention Center in Mount Sterling. $78,100 in each year of the next biennium is appropriated from the General Fund to support the operations of a Juvenile Diversion Program in Daviess County. Monies to the Gateway Juvenile Diversion Program and the Daviess County Program, shall be allotted and transmitted by the Justice Cabinet in quarterly allotments on the first business day of each quarter of each fiscal year of the next biennium. The Gateway Juvenile Diversion Center and the Daviess County program shall provide to the Interim Joint Committee on Appropriations and Revenue a written report no later than 30 days following the end of each quarter of the fiscal year. The House directs that any annual salary increments for these programs that is to be supported by state appropriations be governed by the salary provisions that have been set forth in the General Provisions of the Appropriations Act. General Fund monies are provided in the amount of $186,900 in FY 1993-94 to the Justice Cabinet to construct a secure Juvenile Detention Facility in McCracken County. The Justice Cabinet may contract with fiscal court, or a private provider, to operate the secure juvenile facility. This facility shall meet any American Correctional Association standards which apply to juvenile detention facilities. Furthermore, the House recommends that the proposed Eastern Kentucky secure juvenile facility, which presently resides in the branch recommended budget of the Cabinet for Human Resources, be moved to the Justice Cabinet budget. $88,200 in FY 1992-93 and $88,100 in FY 1993-94 is provided from the General Fund for debt service on a $1 million bond issue, that was sold in FY 1991-92. $250,000 in FY 1993-94 are provided for operating costs associated with the Eastern Kentucky facility. These monies have been removed from the CHR budget.

SENATE REPORT

The Senate concurs with the House Budget with the following exceptions: General Fund monies in the amount of $391,300 in FY 1992-93 and $641,200 in FY 1993-94 that are in the House Budget to support Juvenile Diversion and secure facilities is moved to the Corrections Cabinet. Additionally, $186,900 in General Fund dollars, that are to support a secure juvenile facility in McCracken County are removed.

CONFERENCE REPORT

The Conference concurs with the Senate as it relates to movement of juvenile detention program to the Corrections Cabinet.

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Justice
Agency: Criminal Justice Training
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
Restricted Funds	22,881,100	16,965,400	16,965,400	16,965,400	17,344,600	17,344,600	17,344,600
II. EXPENDITURES BY CATEGORY							
Personnel Costs	2,286,200	2,493,500	2,493,500	2,493,500	2,614,300	2,614,300	2,614,300
Operating Expenses	8,840,200	1,960,100	1,960,100	1,960,100	1,940,200	1,940,200	1,940,200
Grants, Loans, Benefits	10,404,700	11,244,300	11,244,300	11,244,300	11,540,300	11,540,300	11,540,300
Debt Service	1,281,500	1,117,600	1,117,600	1,117,600	1,119,100	1,119,100	1,119,100
Capital Outlay	68,500	149,900	149,900	149,900	130,700	130,700	130,700
TOTAL EXPENDITURES	**22,881,100**	**16,965,400**	**16,965,400**	**16,965,400**	**17,344,600**	**17,344,600**	**17,344,600**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
Restricted Funds	22,881,100	16,965,400	16,965,400	16,965,400	17,344,600	17,344,600	17,344,600

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends sufficient funding to support the existing activities and programs of the Department of Criminal Justice Training. Monies from the Kentucky Law Enforcement Foundation Program Fund (KLEFPF) are provided in the amount of $11,244,300 in FY 1992-93 and $11,540,300 in FY 1993-94 to support the payment of training incentive monies to 3,874 law enforcement officers in FY 1992-93 and 3,976 in FY 1993-94. Debt Service monies in the amount of $1.1 million each year are provided to support the construction of a new Criminal Justice Training Building at Eastern Kentucky University. One million dollars are being recommended to be transferred each year, from KLEFPF, to the General Fund.

HOUSE REPORT
The House concurs with the Branch Budget recommendations.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the Senate and the House.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

CABINET/FUNCTION: JUSTICE CABINET

03/30/92

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	DEPT OF STATE POLICE										
1	POST 16 RADIO TOWER	CC				200,000	200,000	200,000			
3	MINOR PROJECTS FUND	II				150,000	150,000	150,000	150,000	150,000	150,000
7	COMMUNICATIONS CONTROLLERS	RF				82,000	82,000	82,000			
12	LABORATORY INFO. MANAGEMENT SYSTEM	FF				115,000	115,000	115,000	550,000	550,000	550,000
13	ZYMARK ROBOTICS SYSTEM	FF				150,000	150,000	150,000	150,000	150,000	150,000
14	F.L.I.R. INSTALLATION KIT	FF				55,000	55,000	55,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: JUSTICE CABINET

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
CABINET/FUNCTION	TOTAL				952,000	952,000	952,000	850,000	850,000	850,000
Federal Fund					320,000	320,000	320,000	700,000	700,000	700,000
Restricted Fund					82,000	82,000	82,000			
Investment Income					150,000	150,000	150,000	150,000	150,000	150,000
Capital Construction Surplus					400,000	400,000	400,000			
CABINET/FUNCTION	TOTAL				952,000	952,000	952,000	850,000	850,000	850,000

1992 GENERAL ASSEMBLY

FB 1992-94 STATE/EXECUTIVE BRANCH BUDGET MEMORANDUM

CR. CORRECTIONS

APRIL 1, 1992

1992 GENERAL ASSEMBLY
FB 1992-94 CONFERENCE ANALYSIS
GENERAL FUND SUMMARY

FUNCTION: Corrections Cabinet

	FY 1991-92 Budget	House	Senate	Conference	House	Senate	Conference
Corrections Management	17,893,800	22,099,100	22,490,400	22,490,400	23,696,400	24,337,600	24,524,500
Adult Institutions:							
Management/Operations	6,010,600	5,335,300	5,735,300	5,735,300	5,480,400	5,930,400	5,930,400
Muhlenberg County Prison					1,200,000	1,200,000	1,200,000
KY. State Penitentiary	13,281,000	12,533,500	12,533,500	12,533,500	12,848,300	12,848,300	12,848,300
KY. Corr. Institute for Women	4,953,500	5,862,900	5,862,900	5,862,900	6,130,500	6,130,500	6,130,500
Blackburn Correctional Complex	4,141,000	3,912,900	3,977,300	3,929,000	4,014,700	4,071,300	4,028,900
Northpoint Training Center	10,399,200	9,714,100	9,754,000	9,724,100	9,959,900	9,994,200	9,968,500
Luther Luckett Corr. Complex	10,892,900	10,898,900	10,898,900	10,898,900	11,180,500	11,180,500	11,180,500
KY. State Reformatory	19,295,300	18,292,400	18,322,500	18,299,900	18,761,900	18,803,900	18,772,400
Western KY. Corr. Complex	4,581,600	4,299,300	4,350,300	4,312,100	4,406,400	4,454,400	4,418,400
Eastern KY. Corr. Complex	15,083,500	14,640,700	14,640,700	14,640,700	15,030,100	15,078,300	15,042,200
Roederer Correctional Complex	4,228,500	6,644,400	6,796,100	6,682,300	6,919,400	7,083,700	6,960,500
Frankfort Career Dev. Center	1,739,400	1,622,100	1,673,100	1,634,900	1,663,000	1,759,200	1,687,100
Bell County Forestry Camp	1,617,200	1,508,800	1,602,500	1,532,200	1,547,800	1,736,200	1,594,900
Private Prisons	13,232,200	13,064,200	12,707,500	12,989,800	15,922,600	15,679,100	15,679,800
Total Adult Institutions	109,455,900	108,329,500	108,854,600	108,775,600	115,065,500	115,950,000	115,442,400
Community Services and Local Facilities	30,603,200	29,124,400	30,779,400	29,124,400	35,653,100	33,373,900	35,653,100
Local Jail Support	15,476,600	15,507,600	15,507,600	15,507,600	15,507,600	15,507,600	15,507,600
Operating Budget Total	173,429,500	175,060,600	177,632,000	175,898,000	189,922,600	189,169,100	191,127,600
Capital Budget		150,000			150,000		
Grand Total	**173,429,500**	**175,210,600**	**177,632,000**	**175,898,000**	**190,072,600**	**189,169,100**	**191,127,600**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Corrections
Agency: Cabinet Summary
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	173,398,500	175,060,600	177,632,000	175,898,000	189,922,600	189,169,100	191,127,600
General Fund Special	31,000						
Restricted Funds	13,422,600	14,766,400	14,366,400	14,366,400	13,192,500	12,742,500	12,742,500
Federal Funds	1,131,100	999,200	999,200	999,200	999,200	999,200	999,200
General Fund Continuing	123,400						
TOTAL FUNDS	**188,106,600**	**190,826,200**	**192,997,600**	**191,263,600**	**204,114,300**	**202,910,800**	**204,869,300**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	88,368,300	89,338,500	89,778,400	89,338,500	91,453,800	91,840,900	91,453,800
Operating Expenses	20,912,100	21,999,200	22,134,900	21,999,200	22,975,600	23,108,900	22,975,600
Grants, Loans, Benefits	65,276,200	61,077,000	62,582,800	61,426,200	70,012,900	68,199,700	70,679,800
Debt Service	13,008,900	17,230,700	17,318,900	17,318,900	18,715,600	18,803,700	18,803,700
Capital Outlay	541,100	1,180,800	1,182,600	1,180,800	956,400	957,600	956,400
TOTAL EXPENDITURES	**188,106,600**	**190,826,200**	**192,997,600**	**191,263,600**	**204,114,300**	**202,910,800**	**204,869,300**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	173,398,500	166,784,500	166,986,400	166,986,400	170,700,400	170,908,400	170,908,400
Restricted Funds	10,893,900	14,366,400	14,366,400	14,366,400	12,742,500	12,742,500	12,742,500
Federal Funds	1,131,100	999,200	999,200	999,200	999,200	999,200	999,200
General Fund Continuing	123,400						
TOTAL CURRENT	**185,546,900**	**182,150,100**	**182,352,000**	**182,352,000**	**184,442,100**	**184,650,100**	**184,650,100**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		8,276,100	10,645,600	8,911,600	19,222,200	18,260,700	20,219,200
General Fund Special	31,000						
Restricted Funds	2,528,700	400,000			450,000		
TOTAL ADDITIONAL	**2,559,700**	**8,676,100**	**10,645,600**	**8,911,600**	**19,672,200**	**18,260,700**	**20,219,200**

CONFERENCE ANALYSIS
CURRENT YEAR BUDGET REQUESTS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Corrections
Agency: Cabinet Summary
Unit:

	Branch	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:				
FUND SOURCE				
General Fund	173,398,500	173,398,500	173,398,500	173,398,500
General Fund Special	31,000	31,000	31,000	31,000
Restricted Funds	13,422,600	13,422,600	13,422,600	13,422,600
Federal Funds	1,131,100	1,131,100	1,131,100	1,131,100
General Fund Continuing	123,400	123,400	123,400	123,400
TOTAL FUNDS	**188,106,600**	**188,106,600**	**188,106,600**	**188,106,600**
II. EXPENDITURES BY CATEGORY				
Personnel Costs	88,368,300	88,368,300	88,368,300	88,368,300
Operating Expenses	20,912,100	20,912,100	20,912,100	20,912,100
Grants, Loans, Benefits	65,276,200	65,276,200	65,276,200	65,276,200
Debt Service	13,008,900	13,008,900	13,008,900	13,008,900
Capital Outlay	541,100	541,100	541,100	541,100
TOTAL EXPENDITURES	**188,106,600**	**188,106,600**	**188,106,600**	**188,106,600**
III. CURRENT SERVICES BUDGET				
FUND SOURCE				
General Fund	173,398,500	173,398,500	173,398,500	173,398,500
Restricted Funds	10,893,900	10,893,900	10,893,900	10,893,900
Federal Funds	1,131,100	1,131,100	1,131,100	1,131,100
General Fund Continuing	123,400	123,400	123,400	123,400
TOTAL CURRENT	**185,546,900**	**185,546,900**	**185,546,900**	**185,546,900**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE				
FUND SOURCE				
General Fund Special	31,000	31,000	31,000	31,000
Restricted Funds	2,528,700	2,528,700	2,528,700	2,528,700
TOTAL ADDITIONAL	**2,559,700**	**2,559,700**	**2,559,700**	**2,559,700**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Corrections Cabinet
Agency: Corrections Management
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	17,893,800	22,099,100	22,490,400	22,490,400	23,696,400	24,337,600	24,524,500
Restricted Funds	18,400	8,500	8,500	8,500	8,500	8,500	8,500
Federal Funds	11,100						
TOTAL FUNDS	**17,923,300**	**22,107,600**	**22,498,900**	**22,498,900**	**23,704,900**	**24,346,100**	**24,533,000**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	3,866,200	4,090,800	4,090,800	4,090,800	4,198,200	4,198,200	4,198,200
Operating Expenses	833,400	786,100	786,100	786,100	791,100	791,100	791,100
Grants, Loans, Benefits	52,000		303,100	303,100		553,100	740,000
Debt Service	13,008,900	17,230,700	17,318,900	17,318,900	18,715,600	18,803,700	18,803,700
Capital Outlay	162,800						
TOTAL EXPENDITURES	**17,923,300**	**22,107,600**	**22,498,900**	**22,498,900**	**23,704,900**	**24,346,100**	**24,533,000**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	17,893,800	21,760,200	21,962,100	21,962,100	21,858,800	22,066,800	22,066,800
Restricted Funds	8,300	8,500	8,500	8,500	8,500	8,500	8,500
Federal Funds	11,100						
TOTAL CURRENT	**17,913,200**	**21,768,700**	**21,970,600**	**21,970,600**	**21,867,300**	**22,075,300**	**22,075,300**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		338,900	528,300	528,300	1,837,600	2,270,800	2,457,700
Restricted Funds	10,100						
TOTAL ADDITIONAL	**10,100**	**338,900**	**528,300**	**528,300**	**1,837,600**	**2,270,800**	**2,457,700**

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/E Debt Service: Provide Funds for New Bonding Authority Totalling $17,775,000 - Includes a 150-Bed Dormitory for KSR, and a 50-Bed Segregation Unit for Muhlenberg County Prison	G	338,900	338,900	338,900	1,837,600	1,837,600	1,837,600
2/N Eastern KY Secure Juvenile Facility - Provide Debt Service Payments and Grant Awards for a Facility to be Located in Morehead (Due for Occupancy in FY 1993-94)	G		88,200	88,200		338,100	338,100
3/N Western KY Juvenile Diversion Progam - Provide Grant Awards for a Non-Secure Juvenile Diversion Program to be Located in Daviess County	G		78,100	78,100		78,100	78,100
4/E Gateway Juvenile Diversion Project - Increase Grant Awards for the Non-Secure Juvenile Diversion Project in Mount Sterling	G		23,100	23,100		17,000	17,000
5/N Western KY Secure Juvenile Facility - Provide Funding to Establish a Secure Juvenile Facility in Western Kentucky	G						186,900
RECAP BY FUND SOURCE	G	**338,900**	**528,300**	**528,300**	**1,837,600**	**2,270,800**	**2,457,700**
GRAND TOTAL ADDITIONAL BUDGET		**338,900**	**528,300**	**528,300**	**1,837,600**	**2,270,800**	**2,457,700**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94 (with the following exceptions:) The Branch Budget provides a 2% salary increment for all permanent employees earning $20,000, or less, annually, and a 2% salary reduction for all employees earning greater than $50,000 annually, in FY 1992-93, and a 3% salary increment in FY 1993-94 for all employees. The Branch Budget suspends the implementation of the automation for the Probation and Parole Program, as required by KRS Chapter 27A and KRS Chapter 196; and reduces the administrative offices of the Corrections Cabinet. General Fund debt service for unissued bonds totalling $5,746,500 for projects authorized by the 1990 General Assembly have been provided in the amount of $595,800 in FY 1993-94. General Fund debt service payments for bond projects totalling $17,775,000 have been recommended in the amounts of $338,900 in FY 1992-93 and $1,837,600 in FY 1993-94, as noted below. The Branch Budget recommends that the Secretary of the Corrections Cabinet, or the Commissioner of Department of Corrections, as appropriate, be authorized to transfer appropriations between and among the appropriations units within the Corrections Cabinet during FB 1992-94. The Branch Budget also includes Restricted Funds totalling $10,100 in FY 1991-92 for the purchase of training equipment for Corrections Training.

			DEBT SERVICE REQUIREMENTS			
	BONDING AUTHORITY		FY 1992-93		FY 1993-94	
FACILITY/PROJECT	BRANCH	CONFERENCE	BRANCH	CONFERENCE	BRANCH	CONFERENCE
Muhlenberg County Prison Phase I - Expansion	6,600,000	6,600,000	338,900	338,900	677,800	677,800
Muhlenberg County Prison Phase II - Design	1,707,000	1,707,000			179,000	179,000
KY State Reformatory Renovation/Expansion - Dorm 10	5,617,000	5,617,000			577,800	577,800
Roederer Correctional Complex New Kitchen/Dining Room	2,629,000	2,629,000			273,000	273,000
Northpoint Training Center Steamline Repair/Replacement	1,222,000	1,222,000			130,000	130,000
TOTALS	**17,775,000**	**17,775,000**	**338,900**	**338,900**	**1,837,600**	**1,837,600**

HOUSE REPORT

The House concurs with the Branch Budget, with the following exceptions: The House deletes the provisions which permit the Secretary of the Corrections Cabinet, or Commissioner of Adult Institutions, the authority to transfer appropriations among and between appropriations units. The House Report specifies that the General Fund support includes $69,900 each fiscal year for the operations of the KY Corrections Commission, and that it is the intent of the General Assembly that the Corrections Cabinet provide technical support for the KY Corrections Commission. The House requires the Corrections Cabinet to report to the Interim Joint Committee on Appropriations and Revenue, at least quarterly, all receipts and expenditures of Restricted Funds, by program and/or institution. The report shall include, at a minimum, the source(s) of the receipts; budgeted receipts; current receipts; projected annual receipts; actual and projected expenditures, by category; and the personnel complement, relating to the receipts, including inmate labor.

SENATE REPORT

The Senate concurs with the Branch Budget, with the following exceptions: The Senate provides General Fund support totalling $225,000 each fiscal year to support the operations of the non-secure Gateway Juvenile Diversion Project in Mount Sterling; $78,100 each fiscal year for the operations a non-secure Juvenile Diversion Program to be located in Daviess County. Moneys for the Gateway Juvenile Diversion Project and the Daviess County Program, shall be allotted and transmitted by the Justice Cabinet in quarterly allotments on the first business day of each quarter of each fiscal year of the 1992-94 Biennium. The Gateway Juvenile Diversion Center and the Daviess County Program shall provide to the Interim Joint Committee on Appropriations and Revenue a written report no later than 30 days following the end of each quarter of the fiscal year. The Senate directs that any annual salary increments for these programs that is to be supported by state appropriations be governed by the salary provisions that have been set forth in Part IV of the Appropriations Act. The Senate also provides $88,200 in FY 1992-93 and $88,100 in FY 1993-94 for the debt service requirements on a $1 million bond issue, that was sold in FY 1991-92 for a secure juvenile detention center in Rowan County; and also provides $250,000 in FY 1993-94 for the operating costs associated with this facility. (The Branch Budget provided the funding support for the Rowan County Secure Detention Center in the recommended budget for the Cabinet for Human Resources.)

The Senate deletes the provisions which reduces the salaries of employees who earn in excess of $50,000 annually by 2% in FY 1992-93, and grants a 3% salary increment in FY 1993-94 to those same employees. The Senate provides that employees earning in excess of $50,000 annually shall receive no salary increment in FY 1992-93, but shall receive a 1% salary increment in FY 1993-94. The Senate also deletes the provisions which provides employees earning $20,000, or less, annually a 2% salary increment in FY 1992-93; but provides a $360 salary adjustment for those same employees.

CONFERENCE REPORT

The Conference concurs with the Senate with the exception of providing $186,900 in FY 1993-94 to support the establishment of a Western Kentucky Secure Juvenile Detention Facility. The Conference requires the funds provided for the Western Kentucky Secure Juvenile Detention Facility may be utilized for the construction, renovation, and/or operating costs associated with this facility only, and any funds not utilized for this facility shall lapse to the credit of the General Fund.

The Conference deletes the provisions which permit the Secretary of Corrections Cabinet, or Commissioner of Adult Institutions, the authority to transfer appropriations among and between appropriation units within the Corrections Cabinet.

The Conference specifies that the General Fund support includes $69,900 each fiscal year for the operations of the KY Corrections Commission, and that the Corrections Cabinet shall provide technical support for the KY Corrections Commission; and that the Corrections Cabinet shall report to the Interim Joint Committee on Appropriations and Revenue, at least quarterly, all receipts and expenditures of Restricted Funds, by program and/or institution, and that the report shall include, at a minimum, the source(s) of the receipts; budgeted receipts; current receipts; projected annual receipts; actual and projected expenditures, by category; and the personnel complement, relating to the receipts, including labor.

CONFERENCE ANALYSIS
CURRENT YEAR BUDGET REQUESTS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Corrections Cabinet
Agency: Corrections Management
Unit:

	Request	Branch	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:					
FUND SOURCE					
General Fund	22,669,500	17,893,800	17,893,800	17,893,800	17,893,800
Restricted Funds	18,400	18,400	18,400	18,400	18,400
Federal Funds	11,100	11,100	11,100	11,100	11,100
TOTAL FUNDS	**22,699,000**	**17,923,300**	**17,923,300**	**17,923,300**	**17,923,300**
II. EXPENDITURES BY CATEGORY					
Personnel Costs	4,098,500	3,866,200	3,866,200	3,866,200	3,866,200
Operating Expenses	809,900	833,400	833,400	833,400	833,400
Grants, Loans, Benefits	52,000	52,000	52,000	52,000	52,000
Debt Service	17,653,900	13,008,900	13,008,900	13,008,900	13,008,900
Capital Outlay	84,700	162,800	162,800	162,800	162,800
TOTAL EXPENDITURES	**22,699,000**	**17,923,300**	**17,923,300**	**17,923,300**	**17,923,300**
III. CURRENT SERVICES BUDGET					
FUND SOURCE					
General Fund	22,669,500	17,893,800	17,893,800	17,893,800	17,893,800
Restricted Funds	8,300	8,300	8,300	8,300	8,300
Federal Funds	11,100	11,100	11,100	11,100	11,100
TOTAL CURRENT	**22,688,900**	**17,913,200**	**17,913,200**	**17,913,200**	**17,913,200**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE					
FUND SOURCE					
Restricted Funds	10,100	10,100	10,100	10,100	10,100

V. ADDITIONAL BUDGET ITEMS/CURRENT YEAR

Item# /Type	Service Unit/Description	Fund Source /Subtotal	Request	Branch Budget	House	Senate	Conference
1/E	Training: Provide Funds for Ammunition and Additional Equipment for Correctional Officer Training	R	10,100	10,100	10,100	10,100	10,100
	GRAND TOTAL		**10,100**	**10,100**	**10,100**	**10,100**	**10,100**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive | **Agency:** | **Adult Institutions**
Cabinet/Function: Corrections | **Unit:** | **Summary**

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	109,455,900	108,329,500	108,854,600	108,775,600	115,065,500	115,950,000	115,442,400
Restricted Funds	12,838,700	14,331,400	13,931,400	13,931,400	12,757,500	12,307,500	12,307,500
Federal Funds	1,070,800	972,000	972,000	972,000	972,000	972,000	972,000
TOTAL FUNDS	**123,365,400**	**123,632,900**	**123,758,000**	**123,679,000**	**128,795,000**	**129,229,500**	**128,721,900**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	67,219,400	68,486,400	68,523,400	68,486,400	68,859,800	68,941,300	68,859,800
Operating Expenses	17,551,900	18,720,300	18,849,900	18,720,300	19,543,300	19,665,300	19,543,300
Grants, Loans, Benefits	38,215,800	35,245,400	35,203,300	35,291,500	39,435,500	39,666,500	39,362,400
Capital Outlay	378,300	1,180,800	1,181,400	1,180,800	956,400	956,400	956,400
TOTAL EXPENDITURES	**123,365,400**	**123,632,900**	**123,758,000**	**123,679,000**	**128,795,000**	**129,229,500**	**128,721,900**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	109,455,900	102,572,800	102,572,800	102,572,800	105,254,000	105,254,000	105,254,000
Restricted Funds	10,468,800	13,931,400	13,931,400	13,931,400	12,307,500	12,307,500	12,307,500
Federal Funds	1,070,800	972,000	972,000	972,000	972,000	972,000	972,000
TOTAL CURRENT	**120,995,500**	**117,476,200**	**117,476,200**	**117,476,200**	**118,533,500**	**118,533,500**	**118,533,500**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		5,756,700	6,281,800	6,202,800	9,811,500	10,696,000	10,188,400
Restricted Funds	2,369,900	400,000			450,000		
TOTAL ADDITIONAL	**2,369,900**	**6,156,700**	**6,281,800**	**6,202,800**	**10,261,500**	**10,696,000**	**10,188,400**

V. ADDITIONAL BUDGET ITEMS

Item#	**Fund Source**		**FY 1992-93**			**FY 1993-94**	
/Type Service Unit/Description	**/Subtotal**	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
1/E RCC: Provide Staffing and Operating Costs for a 200-Bed Medium Security Unit (July 1992 Occupancy Date) (69 PFT & 1PPT Positions)	G	2,844,700	2,844,700	2,844,700	3,024,100	3,024,100	3,024,100

Item#	Fund Source		FY 1992-93			FY 1993-94	
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
2/E LLCC: Provide Staffing and Operating Costs for a 44-Bed Segregation Unit Due for Occupancy in August 1992	G	600,000	600,000	600,000	618,000	618,000	618,000
3/E KCIW: Provide Staffing and Operating Costs for a 120-Bed Housing Unit Due for Occupancy in October 1992 23 PFT Staff Positions	G	1,214,200	1,214,200	1,214,200	1,360,600	1,360,600	1,360,600
4/N Muhlenberg County Prison: Provide Staffing and Operating Costs for a 550-Bed Medium Security Prison Due for Completion in March 1994	G				1,200,000	1,200,000	1,200,000
5/RFR/E WKCC & EKCC: Double-Bunk Facilities: WKCC (20 Additional Beds in FY 1993); EKCC (20 Additional Beds in FY 1994)	G		51,000	12,800		96,200	24,100
6/E Bed Expansions-Double-bunk Beds at NTC (16); FCDC (40); BCC (24); KSR (10); RCC (45); and BCFC (50)	G		430,800	107,700		581,800	145,600
7/N Operations: Provide Funds to Reopen Prison Farms Operations to Raise Beef Cattle, Orchards, and Small Vegetable Gardens	G		400,000	400,000		450,000	450,000
	R	400,000			450,000		
	Total	**400,000**	**400,000**		**450,000**	**450,000**	
8/E Private Prisons: Provide Funds for a 300-Bed Male Minimum Security Facility (Operational March 1, 1993)	G	1,097,800	741,100	1,023,400	3,608,800	3,365,300	3,366,000
RECAP BY FUND SOURCE	**G**	**5,756,700**	**6,281,800**	**6,202,800**	**9,811,500**	**10,696,000**	**10,188,400**
	R	**400,000**			**450,000**		
GRAND TOTAL ADDITIONAL BUDGET		**6,156,700**	**6,281,800**	**6,202,800**	**10,261,500**	**10,696,000**	**10,188,400**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94 (with the following exceptions:) The Branch Budget provides a 2% salary increment for all permanent employees earning less than $20,000 annually, and a 2% salary reduction for all employees earning greater than $50,000 annually, in FY 1992-93, and a 3% salary increment in FY 1993-94 for all employees. The Branch Budget eliminates gate fees paid to state felons who are released from custody; eliminates 25 vocational classes in adult institutions; and reduces administrative costs for the Department of Adult Institutions. The Branch Budget recommends additional Restricted Funds totalling $2,369,900 to replace current General Fund support in FY 1991-92 for increased medical costs, utility costs, and salaries associated with the operations of road crews. Additional General Fund support totalling $4,658,900 in FY 1992-93 and $6,202,700 in FY 1993-94 is provided for the operations of a 200-bed medium security unit at the Roederer Correctional Complex, which is to become operational July, 1992; a 44-bed segregation unit at the Luther Luckett Correctional Complex, which is to become operational August, 1992; a 120-bed housing unit at the Kentucky Correctional Institute for Women, which is to become operational October, 1992; and a 550-bed medium security facility located in Muhlenberg County, which is to become operational in March, 1994. Additional General Fund support totalling $2,553,700 in FY 1992-93 and $3,090,400 in FY 1993-94 is provided for increased operating costs associated with double-bunking bedspace at the Eastern Kentucky Correctional Complex (220 beds), Western Kentucky Correctional Complex (120 beds), Roederer Correctional Complex (45 beds), Northpoint Training Center (16 beds), Frankfort Career Development Center (40 beds), Bell County Forestry Camp (50 beds), Blackburn Correctional Complex (24 beds), and Kentucky State Reformatory (10 beds). Additional General Fund support totalling $400,000 in FY 1992-93 and $450,000 in FY 1993-94 is provided to reopen the prison farms on a limited basis for the purpose of raising beef cattle, small vegetable gardens, an orchards.

HOUSE REPORT

The House concurs with the Branch Budget with the following exceptions: The House amends the provisions in Part IV which reduce the salaries of employees who earn in excess of $50,000 annually by 2% in FY 1992-93, and provides that employees earning in excess of $50,000 annually shall receive no salary increment in FY 1992-93, and receive a 1% salary increment in FY 1993-94 and attaches additional conditions. The House expands the appropriations units for the Department of Adult Institutions to specifically identify each adult institution as a separate appropriation unit, specify an appropriation unit for Private Prisons, and an appropriation unit identified as Adult Institutions Management/Operations, which is to include the following programs: Adult Institutions Management; Division of Operations, excluding Private Prisons; Educational Programs; Division of Mental Health; Sex Offender Program; Division of Correctional Industries; and Agricultural Production/Dietary Services.

The Secretary of the Corrections Cabinet, upon written recommendation by the Commissioner of Adult Institutions, may request transfer of any appropriated funds for the Department of Adult Institutions among and between the appropriation units subject to compliance with the provisions identified in Part III, Sections 1 and 8 of the Appropriations Act and the Statutory Budget Memorandum.

The House provides additional General Fund support totalling $1,097,800 in FY 1992-93 and $3,608,800 in FY 1993-94 for a 300-bed male prison, which is to be operated under a contractual arrangement pursuant to KRS Chapter 197.

The House also provides General Fund support totalling $150,000 each fiscal year in the Capital Budget for the lease/purchase requirements relating to the Metal Office Furniture Component System to be located at the Eastern KY Correctional Complex. This industry shall be self-sustaining by FY 1994-95 and be capable of providing the remaining lease/purchase payments.

The House authorizes the Secretary of Corrections, upon written recommendation by the Commissioner of Adult Institutions, to utilize up to $400,000 in FY 1992-93 and $450,000 in FY 1993-94 any available Restricted Funds appropriated to the Corrections Cabinet for the purpose of re-establishing the prison farms operations. Any funds provided for this purpose shall be reported to the Interim Joint Committee on Appropriations and Revenue pursuant to, and in compliance with, the provisions identified in Part III, Sections 1 and 8, of the Appropriations Act and Statutory Budget Memorandum. All expenditures for this purpose shall be communicated to the Interim Joint Committee on Appropriations and Revenue on a quarterly basis.

(Continued)

The inmate population of the state's adult penitentiaries during the 1992-94 Biennium shall not exceed the operational capacities for which funding was provided by the 1990 KY General Assembly, and adjusted for additional bedspace which may become operational during the 1992-94 Biennium as a result of the construction of new dormitories, segregation units, and new adult correctional facilities. All contractual agreements in effect as of January 1, 1992, to house state prisoners shall be fully utilized, prior to any additional beds being made available through contractual agreements between the Corrections Cabinet and public agencies or private vendors. Due to the financial condition of the Commonwealth, any new beds which are contracted to house sentenced state prisoners after June 30, 1992, shall receive no cost-of-living adjustment in FY 1992-93 or FY 1993-94. The Corrections Cabinet shall report monthly to the Interim Joint Committee on Appropriations and Revenue the status of all bedspace utilized to house state prisoners, including state penitentiaries, adult correctional facilities, local and/or regional jails, and halfway houses. This report shall identify bedspace and inmate population by institution/facility.

Sentenced state prisoners may be classified as minimum security provided they are within sixty (60) months of eligibility of parole and score 14, or less, on the classification document, and these inmates may be housed in any statutory adult correctional facility or penitentiary, as defined by KRS Chapters 196 and 197. Adult correctional facilities operated by private providers, as defined in KRS 197.500 (3), which house state prisoners classified as minimum security pursuant to this authority, shall be enclosed with a secure perimeter.

SENATE REPORT
The Senate concurs with the Branch Budget, with the following exceptions: The Senate provides for a 300-bed male minimum security prison to be operated under a contractual agreement pursuant to KRS 197; provides for 20 beds to be double-bunked at the Western KY Correctional Complex beginning in FY 1992-93, and 20 beds to be double-bunked at the Eastern KY Correctional Complex, beginning in FY 1993-94.

The Senate specifies the Request for Proposal for the 300-bed minimum security prison shall be issued by June 1, 1992; the vendor responses to be received by July 1, 1992; the contract to be awarded by August 1, 1992; and the facility to be operational by April 1, 1993.

The Senate expands the appropriations units for the Department of Adult Institutions to specifically identify each adult institution as a separate appropriation unit, specify an appropriation unit for Private Prisons, and an appropriation unit identified as Adult Institutions Management/Operations, which is to include the following programs: Adult Institutions Management; Division of Operations, excluding Private Prisons; Educational Programs; Division of Mental Health; Sex Offender Program; Division of Correctional Industries; and Agricultural Production/Dietary Services. The Secretary of Corrections is authorized to transfer funds among and between appropriations units, but shall report all such transfers to the Interim Joint Committee on Appropriations and Revenue.

The Senate deletes the provisions regarding the 2% salary adjustments in FY 1992-93 for employees earning $20,000, or less, per year, and provides a $360.00 salary adjustment for such employees. The Senate also deletes the provisions regarding the 2% salary reduction in FY 1992-93 for employees earning in excess of $50,000 per year. The Senate provides that all employees, other than those earning $20,000, or less, per year shall receive no salary increment in FY 1992-93. The Senate provides that all employees, except those earning in excess of $50,000 per year shall receive a 3% salary increment in FY 1993-94, and those employees earning in excess of $50,000 per year shall receive a 1% salary increment in FY 1993-94.

CONFERENCE REPORT
The Conference concurs with the House, with the following exceptions: The Conference provides $1,023,400 in FY 1992-93 and $3,366,000 in FY 1993-94 for a 300-bed male minimum security prison, which is to be operated under a contractual arrangement pursuant to KRS Chapter 197, and deletes the definition relating to the classification of minimum security inmates and the housing of such inmates in privately-operated facilities.

The Conference specifies the Request for Proposal for the 300-bed minimum security prison shall be issued by June 1, 1992; the vendor responses to be received by July 1, 1992; the contract to be awarded by August 1, 1992; and the facility to be operational by March 1, 1993.

(Continued)

The Conference replaces the Restricted Funds support with General Fund support for the re-establishment of the prison farms operations.

The Conference deletes the conditional statement that any new contracts to house sentenced state prisoners after June 30, 1992, shall receive no cost-of-living adjustment in FY 1992-93 or FY 1993-94.

The Conference specifies that in the event state felon populations exceed the projections provided to the 1992 Kentucky General Assembly and included in the 1992-94 Budget Workpapers for the Corrections Cabinet, the Corrections Cabinet is authorized to double-bunk the following facilities after all available bedspace, including state-owned or contracted bedspace, has been utilized. The Corrections Cabinet is authorized to begin proceedings to procure the necessary beds for double-bunking when inmate population attains a level of ninety-five percent (95%) of the state's total institutional operational capacity. The Corrections Cabinet shall report to the Interim Joint Committee on Appropriations and Revenue any use of these beds, and shall certify that the state felon population exceeds the 1992-94 budgeted inmate population projections. The Corrections Cabinet shall identify by institution, the number of inmates housed pursuant to this authority. The Corrections Cabinet shall also identify the number of days in which inmates are housed in double-bunked facilities. The facilities which may be double-bunked and the number of inmates authorized to be double-bunked pursuant to this authority are as follows:

INSTITUTION	**FY 1993**	**FY 1994**
Western Kentucky Correctional Complex	20	20
Roederer Correctional Complex	45	45
Blackburn Correctional Complex	24	24
Frankfort Career Development Center	20	40
Northpoint Training Center	16	16
Kentucky State Reformatory	10	10
Bell County Forestry Camp	30	50
Eastern Kentucky Correctional Center		20

In the event the state's felon population falls below the projections provided to the 1992 Kentucky General Assembly and included in the 1992-94 Budget Workpapers for the Corrections Cabinet, bed reductions shall be made in the following priorities: (1) double-bunked facilities; (2) controlled intake (pre-admission beds); (3) private vendor contract facilities, but not less than the minimum permitted pursuant to contract agreements; (4) halfway houses; and (5) local jail beds. In the event inmate population projections are revised to be less than those provided to the 1992 Kentucky General Assembly, the revised estimates shall be provided to the Interim Joint Committee on Appropriations and Revenue prior to any reductions in bedspace, and any funds provided for the operations of such beds shall lapse to the credit of the General Fund.

Any facility under contractual agreements to house sentenced female state felons shall be required to comply with the provisions set forth in KRS 439.580 to 439.620 only.

The Conference deletes the $150,000 in each fiscal year for the lease/purchase payments relating to the Metal Office Furniture Component System at the Eastern KY Correctional Complex.

CONFERENCE ANALYSIS
CURRENT YEAR BUDGET REQUESTS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive **Agency:** **Department of Adult Institutions**
Cabinet/Function: Corrections Cabinet **Unit:**

	Request	Branch	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:					
FUND SOURCE					
General Fund	108,145,900	109,455,900	109,455,900	109,455,900	109,455,900
Restricted Funds	15,528,600	12,838,700	12,838,700	12,838,700	12,838,700
Federal Funds	1,070,800	1,070,800	1,070,800	1,070,800	1,070,800
TOTAL FUNDS	**124,745,300**	**123,365,400**	**123,365,400**	**123,365,400**	**123,365,400**
II. EXPENDITURES BY CATEGORY					
Personnel Costs	68,694,000	65,132,200	65,132,200	65,132,200	65,132,200
Operating Expenses	18,772,000	16,558,900	16,558,900	16,558,900	16,558,900
Grants, Loans, Benefits	35,743,900	40,309,100	40,309,100	40,309,100	40,309,100
Capital Outlay	1,535,400	1,365,200	1,365,200	1,365,200	1,365,200
TOTAL EXPENDITURES	**124,745,300**	**123,365,400**	**123,365,400**	**123,365,400**	**123,365,400**
III. CURRENT SERVICES BUDGET					
FUND SOURCE					
General Fund	108,145,900	109,455,900	109,455,900	109,455,900	109,455,900
Restricted Funds	13,158,700	10,468,800	10,468,800	10,468,800	10,468,800
Federal Funds	1,070,800	1,070,800	1,070,800	1,070,800	1,070,800
TOTAL CURRENT	**122,375,400**	**120,995,500**	**120,995,500**	**120,995,500**	**120,995,500**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE					
FUND SOURCE					
Restricted Funds	2,369,900	2,369,900	2,369,900	2,369,900	2,369,900

V. ADDITIONAL BUDGET ITEMS/CURRENT YEAR

Item# /Type Service Unit/Description	**Fund Source /Subtotal**	**Request**	**Branch Budget**	**House**	**Senate**	**Conference**
1/E KSR: Provide for Increased Inmate Medical Costs	R	157,200	157,200	157,200	157,200	157,200
2/E RCC: Provide for Increased Inmate Medical Costs ($48,300); and Additional Road Crew Personnel Costs ($66,000)	R	114,300	114,300	114,300	114,300	114,300

Item# /Type Service Unit/Description	Fund Source /Subtotal	Request	Branch Budget	House	Senate	Conference
3/E NTC: Provide for Increased Utility Costs ($90,000), and Medical Costs ($114,900)	R	204,900	204,900	204,900	204,900	204,900
4/E KCIW: Provide for Additional Road Crew Personnel Costs ($85,400), and Increased Medical Costs ($135,800)	R	221,200	221,200	221,200	221,200	221,200
5/E WKCC: Provide for Increased Inmate Medical Expenses	R	187,100	187,100	187,100	187,100	187,100
6/E BCFC: Provide for Additional Road Crew Costs ($50,800); Utility Costs ($70,100); and Medical Costs ($112,800)	R	233,700	233,700	233,700	233,700	233,700
7/E BCC: Provide for Additional Road Crew Costs ($44,000); Utility Expenses ($23,100); and Medical Costs ($115,000)	R	182,100	182,100	182,100	182,100	182,100
8/E FCDC: Provide for Additional Road Crew Costs ($11,000); and Medical Costs ($215,600)	R	226,600	226,600	226,600	226,600	226,600
9/E LLCC: Provide for Increased Inmate Medical Expenses	R	421,400	421,400	421,400	421,400	421,400
10/E KSP: Provide for Increased Inmate Medical Expenses	R	138,700	138,700	138,700	138,700	138,700
11/E EKCC: Provide for Increased Inmate Medical Expenses	R	282,700	282,700	282,700	282,700	282,700
GRAND TOTAL		**2,369,900**	**2,369,900**	**2,369,900**	**2,369,900**	**2,369,900**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: CORRECTIONS CABINET

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**DEPT OF ADULT INSTITUTIONS**										
0	CONSTRUCT DORM 14/DEMOLISH #7 (KSR) *Reauthorization*										
1	WASTEWATER TREATMENT PLANT (BCC) *Reauthorization*										
2	RENOVATE/EXPAND DORM 10 (KSR)	BF				395,000	395,000	395,000	5,222,000	5,222,000	5,222,000
3	MUHLENBERG PRISON-PHASE I-ADD.BUDG.	BF	6,600,000	6,600,000	6,600,000						
4	MUHLENBERG CO. PRISON EXP. PHASE II	BF							1,707,000	1,707,000	1,707,000
5	NEW KITCHEN/DINING ROOM (RCC)	BF				214,000	214,000	214,000	2,415,000	2,415,000	2,415,000
6	MISCELLANEOUS MAINTENANCE POOL	II				1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
7	STEAMLINE REPAIR/REPLACEMENT (NTC)	BF				1,222,000	1,222,000	1,222,000			
8	44 BED SEGREGATION UNIT (KCIW)	SS	197,000	197,000	197,000						
11	ROOF REPLACEMENTS (KSR)	SS				1,767,000	1,767,000	1,767,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: CORRECTIONS CABINET

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
12	ROOF REPLACEMENTS (KSP)	SS				331,500	331,500	331,500			
19	METAL OFC FURN COMPONENT SYS (EKCC)	GF RF				150,000 450,000	 750,000	 750,000	150,000 		
20	TRACTOR/TRAILER REPLACEMENT	RF				95,000	95,000	95,000			
21	HYDRAULIC SHEARER REPLACEMENT (KSR)	RF				60,000	60,000	60,000			
22	POWDER COAT PAINTING SYSTEM (KSR)	RF				150,000	150,000	150,000			
23	UNITIZED TOOLING SYSTEM (KSR)	RF				65,000	65,000	65,000	90,000	90,000	90,000
24	WATERFALL SPRAY BOOTH (KSP)	RF				55,000	55,000	55,000			
25	CONTINUOUS FORMS PRESS - FRANKFORT	RF				55,000	55,000	55,000			
26	PRINT COLLATOR REPLACEMENT (LLCC)	RF				60,000	60,000	60,000			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: CORRECTIONS CABINET

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
31 EKCC RAW WATER LINE/REAUTHORIZATION *Reauthorization*										
AGENCY	TOTAL	6,797,000	6,797,000	6,797,000	6,069,500	6,219,500	6,219,500	10,584,000	10,434,000	10,434,000
General Fund					150,000			150,000		
Restricted Fund					990,000	1,290,000	1,290,000	90,000	90,000	90,000
Bond Fund		6,600,000	6,600,000	6,600,000	1,831,000	1,831,000	1,831,000	9,344,000	9,344,000	9,344,000
Investment Income					1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Surplus Bond Proceeds		197,000	197,000	197,000	2,098,500	2,098,500	2,098,500			
AGENCY	TOTAL	6,797,000	6,797,000	6,797,000	6,069,500	6,219,500	6,219,500	10,584,000	10,434,000	10,434,000

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: CORRECTIONS CABINET

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
CABINET/FUNCTION	**TOTAL**	**6,797,000**	**6,797,000**	**6,797,000**	**6,069,500**	**6,219,500**	**6,219,500**	**10,584,000**	**10,434,000**	**10,434,000**
General Fund					150,000			150,000		
Restricted Fund					990,000	1,290,000	1,290,000	90,000	90,000	90,000
Bond Fund		6,600,000	6,600,000	6,600,000	1,831,000	1,831,000	1,831,000	9,344,000	9,344,000	9,344,000
Investment Income					1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Surplus Bond Proceeds		197,000	197,000	197,000	2,098,500	2,098,500	2,098,500			
CABINET/FUNCTION	**TOTAL**	**6,797,000**	**6,797,000**	**6,797,000**	**6,069,500**	**6,219,500**	**6,219,500**	**10,584,000**	**10,434,000**	**10,434,000**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Corrections Cabinet
Agency: Community Services and Facilities
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	30,603,200	29,124,400	30,779,400	29,124,400	35,653,100	33,373,900	35,653,100
Restricted Funds	565,500	426,500	426,500	426,500	426,500	426,500	426,500
Federal Funds	49,200	27,200	27,200	27,200	27,200	27,200	27,200
TOTAL FUNDS	**31,217,900**	**29,578,100**	**31,233,100**	**29,578,100**	**36,106,800**	**33,827,600**	**36,106,800**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	17,282,700	16,730,300	17,133,200	16,730,300	18,364,800	18,670,400	18,364,800
Operating Expenses	2,098,400	2,064,400	2,070,500	2,064,400	2,212,800	2,224,100	2,212,800
Grants, Loans, Benefits	11,836,800	10,783,400	12,028,200	10,783,400	15,529,200	12,931,900	15,529,200
Capital Outlay			1,200			1,200	
TOTAL EXPENDITURES	**31,217,900**	**29,578,100**	**31,233,100**	**29,578,100**	**36,106,800**	**33,827,600**	**36,106,800**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	30,603,200	26,974,900	26,974,900	26,974,900	28,111,000	28,111,000	28,111,000
Restricted Funds	416,800	426,500	426,500	426,500	426,500	426,500	426,500
Federal Funds	49,200	27,200	27,200	27,200	27,200	27,200	27,200
TOTAL CURRENT	**31,069,200**	**27,428,600**	**27,428,600**	**27,428,600**	**28,564,700**	**28,564,700**	**28,564,700**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		2,149,500	3,804,500	2,149,500	7,542,100	5,262,900	7,542,100
Restricted Funds	148,700						
TOTAL ADDITIONAL	**148,700**	**2,149,500**	**3,804,500**	**2,149,500**	**7,542,100**	**5,262,900**	**7,542,100**

V. ADDITIONAL BUDGET ITEMS

Item#	Fund Source	FY 1992-93			FY 1993-94		
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
1/E Local Facilities: Provide for Additional Bedspace in Local Jails for Pre-release Inmates; Halfway Houses; and in Local Jails for Pre-admission Inmates (Controlled Intake)	G	1,899,500	3,737,500	1,899,500	7,292,100	5,127,300	7,292,100

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
2/E Probation & Parole: Provide Funds to Implement Substance Abuse Counseling Programs in Jefferson Co. in FY93 & Fayette Co. in FY94 (2 Counselor Positions Each Fiscal Year)	G		67,000			135,600	
3/N Probation and Parole: Provide for Substance Abuse Treatment Grants/Contracts for Fayette and Jefferson Counties	G	100,000		100,000	100,000		100,000
4/N Community Services Mgmt.: Provide for Community Corrections Programs Grants	G	150,000		150,000	150,000		150,000
RECAP BY FUND SOURCE	G	**2,149,500**	**3,804,500**	**2,149,500**	**7,542,100**	**5,262,900**	**7,542,100**
GRAND TOTAL ADDITIONAL BUDGET		**2,149,500**	**3,804,500**	**2,149,500**	**7,542,100**	**5,262,900**	**7,542,100**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94 (with the following exceptions:) The Branch Budget provides a 2% salary increment for all permanent employees earning less than $20,000 annually, and a 2% salary reduction for all employees earning greater than $50,000 annually in FY 1992-93, and a 3% salary increment in FY 1993-94 for all employees. The Branch Budget eliminates gate fees paid to state felons who are released from custody; reduces payments for contractual agreements with halfway houses for housing state felons; and cancels the contractual agreement for the technical parole violator diversion project in Jefferson County in FY 1991-92. Additional General Fund support totalling $3,126,900 in FY 1992-93 and $5,127,300 in FY 1993-94 is provided for 310 additional beds under contract with local jails to house state felons; and 115 additional beds under contract with halfway houses to house state felons. The Branch Budget also provides up to 230 beds in FY 1992-93 and 160 beds in FY 1993-94 in local jails to house state felons for a period not to exceed 45 days. Additional General Fund support is provided to implement a Substance Abuse Counseling Program in Jefferson County in FY 1992-93, and an additional Substance Abuse Counseling Program in Fayette County in FY 1993-94. The Branch Budget includes Restricted Funds totalling $148,700 in FY 1991-92 for increased expenses relating to the Jefferson County Misdemeanant Program.

HOUSE REPORT

The House concurs with the Branch Budget recommendations, with the following exceptions: The House amends the provisions in Part IV which reduce the salaries of employees who earn in excess of $50,000 annually by 2% in FY 1992-93, and provides that employees earning in excess of $50,000 annually shall receive no salary increment in FY 1992-93, and receive a 1% salary increment in FY 1993-94 and attaches additional conditions.

(Continued)

The House provides additional General Fund support totalling $1,542,100 in FY 1992-93 and $3,865,100 in FY 1993-94 to expand contractual agreements with local jails to house 325 additional state felons in FY 1992-93 and an additional 150 state felons in FY 1993-94 under the pre-release program. The House also provides additional General Fund support totalling $187,700 in FY 1992-93 and $1,130,300 in FY 1993-94 to expand contractual agreements with halfway houses to house 100 additional state felons. Additional General Fund support totalling $169,700, and an additional $1,082,900 which is included in the Current Services Budget, in FY 1992-93 and $2,296,700 in FY 1993-94 is provided for sentenced state felons who are housed as pre-admission inmates in local jails.

The House deletes the funding support for the Substance Abuse Counseling Program and provides General Fund support totalling $100,000 each fiscal year for the purpose of providing Substance Abuse Treatment Grants/Contracts in Jefferson and Fayette Counties. These grants/contracts shall be "treatment-oriented". The House also provides $150,000 each fiscal year to implement Community Corrections Programs for the purpose of establishing alternatives to sentencing programs which are to be administered by the KY Corrections Commission.

The House requires any weapons which are deemed "surplus" by the Justice Cabinet, shall not be sold, but are to be provided to the Corrections Cabinet, for the purpose of issuing such weapons to probation and parole officers, and that any expenses incurred as a result of repairing such weapons shall be borne by the Corrections Cabinet.

The House also requires that all existing contracts to house state prisoners shall be fully utilized, prior to any additional beds being made available through contractual agreements between the Corrections Cabinet and public agencies and/or private vendors. Due to the financial condition of the Commonwealth, any new contracts to house sentenced state prisoners after June 30, 1992, shall receive no cost-of-living adjustment in FY 1992-93 or FY 1993-94.

Notwithstanding any other provisions to the contrary, any funds appropriated for payments to local jails, for housing sentenced state felons, excepting inmate medical costs, which are available at the close of FY 1992-93 shall be used to increase the minimum local jail allotment payment pursuant to KRS 441.206 to $40,000. In no event shall the total additional payments exceed $442,500 per year.

SENATE REPORT

The Senate concurs with the Branch Budget, with the exception for providing additional General Fund support totalling $610,600 in FY 1992-93 for increased population in controlled intake (local jails - 300 pre-admission beds) during the period January 1, 1993, through March 31, 1993.

CONFERENCE REPORT

The Conference concurs with the House, with the exception of the following: The Conference deletes the conditional statement that any new contracts to house sentenced state prisoners after June 30, 1992, shall receive no cost-of-living adjustment in FY 1992-93 or FY 1993-94; and specifies any additional funds provided to local jails as a result of increases in the Local Jail Allotment pursuant to the authority provided in the Appropriations Act and the Statutory Budget Memorandum shall be a lump sum non-recurring amount paid after the close of FY 1992-93, and shall not be considered as a permanent increase in the Local Jail Allotment Program.

CONFERENCE ANALYSIS
CURRENT YEAR BUDGET REQUESTS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Corrections Cabinet
Agency: Community Services and Facilities
Unit:

	Request	Branch	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:					
FUND SOURCE					
General Fund	31,659,100	30,603,200	30,603,200	30,603,200	30,603,200
Restricted Funds	565,500	565,500	565,500	565,500	565,500
Federal Funds	49,200	49,200	49,200	49,200	49,200
TOTAL FUNDS	**32,273,800**	**31,217,900**	**31,217,900**	**31,217,900**	**31,217,900**
II. EXPENDITURES BY CATEGORY					
Personnel Costs	16,912,100	17,282,700	17,282,700	17,282,700	17,282,700
Operating Expenses	2,069,000	2,098,400	2,098,400	2,098,400	2,098,400
Grants, Loans, Benefits	13,292,700	11,836,800	11,836,800	11,836,800	11,836,800
TOTAL EXPENDITURES	**32,273,800**	**31,217,900**	**31,217,900**	**31,217,900**	**31,217,900**
III. CURRENT SERVICES BUDGET					
FUND SOURCE					
General Fund	31,659,100	30,603,200	30,603,200	30,603,200	30,603,200
Restricted Funds	416,800	416,800	416,800	416,800	416,800
Federal Funds	49,200	49,200	49,200	49,200	49,200
TOTAL CURRENT	**32,125,100**	**31,069,200**	**31,069,200**	**31,069,200**	**31,069,200**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE					
FUND SOURCE					
Restricted Funds	148,700	148,700	148,700	148,700	148,700

V. ADDITIONAL BUDGET ITEMS/CURRENT YEAR

Item# /Type Service Unit/Description	Fund Source /Subtotal	Request	Branch Budget	House	Senate	Conference
1/E Probation & Parole: Provide Additional Funding for Increased Personnel Expenses	R	148,700	148,700	148,700	148,700	148,700
GRAND TOTAL		**148,700**	**148,700**	**148,700**	**148,700**	**148,700**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Corrections Cabinet
Agency: Local Jail Support Programs
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	15,445,600	15,507,600	15,507,600	15,507,600	15,507,600	15,507,600	15,507,600
General Fund Special	31,000						
General Fund Continuing	123,400						
TOTAL FUNDS	**15,600,000**	**15,507,600**	**15,507,600**	**15,507,600**	**15,507,600**	**15,507,600**	**15,507,600**
II. EXPENDITURES BY CATEGORY							
Personnel Costs		31,000	31,000	31,000	31,000	31,000	31,000
Operating Expenses	428,400	428,400	428,400	428,400	428,400	428,400	428,400
Grants, Loans, Benefits	15,171,600	15,048,200	15,048,200	15,048,200	15,048,200	15,048,200	15,048,200
TOTAL EXPENDITURES	**15,600,000**	**15,507,600**	**15,507,600**	**15,507,600**	**15,507,600**	**15,507,600**	**15,507,600**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	15,445,600	15,476,600	15,476,600	15,476,600	15,476,600	15,476,600	15,476,600
General Fund Continuing	123,400						
TOTAL CURRENT	**15,569,000**	**15,476,600**	**15,476,600**	**15,476,600**	**15,476,600**	**15,476,600**	**15,476,600**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		31,000	31,000	31,000	31,000	31,000	31,000
General Fund Special	31,000						
TOTAL ADDITIONAL	**31,000**	**31,000**	**31,000**	**31,000**	**31,000**	**31,000**	**31,000**

V. ADDITIONAL BUDGET ITEMS

Item#	Fund Source	FY 1992-93			FY 1993-94		
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
1/E Jailers' Expense Allowance: Provide for Increased Social Security Requirements	G	31,000	31,000	31,000	31,000	31,000	31,000
RECAP BY FUND SOURCE	G	**31,000**	**31,000**	**31,000**	**31,000**	**31,000**	**31,000**
GRAND TOTAL ADDITIONAL BUDGET		**31,000**	**31,000**	**31,000**	**31,000**	**31,000**	**31,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends funding for existing allocations and programs in FB 1992-94. Additional General Fund support totalling $31,000 is provided in FY 1991-92, and each fiscal year of the 1992-94 Biennium, for payment of the employer share of Social Security (FICA) requirements for the Jailers' Expense Allowance. Funding for FY 1991-92 includes $123,400 continued appropriation from FY 1990-91. Any unexpended funds at the end of FY 1991-92 shall lapse to the credit of the General Fund.

HOUSE REPORT

The House concurs with the Branch Budget with the exception of requiring any funds appropriated for payments to local jails, for housing sentenced state felons, excepting inmate medical costs, which are available at the close of FY 1992-93 shall be used to increase the minimum local jail allotment payment pursuant to KRS 441.206 to $40,000. In no event shall the total additional payments exceed $442,500 per year.

SENATE REPORT

The Senate concurs with the Branch Budget.

CONFERENCE REPORT

The Conference concurs with the House, with the exception of specifying any additional funds provided to local jails as a result of increases in the Local Jail Allotment pursuant to the authority provided in the Appropriations Act and the Statutory Budget Memorandum shall be a lump sum non-recurring amount paid after the close of FY 1992-93, and shall not be considered as a permanent increase in the Local Jail Allotment Program.

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CONFERENCE ANALYSIS
CURRENT YEAR BUDGET REQUESTS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Corrections Cabinet
Agency: Local Jail Support Programs
Unit:

	Request	Branch	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:					
FUND SOURCE					
General Fund	15,065,400	15,445,600	15,445,600	15,445,600	15,445,600
General Fund Special	565,600	31,000	31,000	31,000	31,000
General Fund Continuing		123,400	123,400	123,400	123,400
TOTAL FUNDS	**15,631,000**	**15,600,000**	**15,600,000**	**15,600,000**	**15,600,000**
II. EXPENDITURES BY CATEGORY					
Personnel Costs	31,000				
Operating Expenses	428,400	428,400	428,400	428,400	428,400
Grants, Loans, Benefits	15,171,600	15,171,600	15,171,600	15,171,600	15,171,600
TOTAL EXPENDITURES	**15,631,000**	**15,600,000**	**15,600,000**	**15,600,000**	**15,600,000**
III. CURRENT SERVICES BUDGET					
FUND SOURCE					
General Fund	15,065,400	15,445,600	15,445,600	15,445,600	15,445,600
General Fund Continuing		123,400	123,400	123,400	123,400
TOTAL CURRENT	**15,065,400**	**15,569,000**	**15,569,000**	**15,569,000**	**15,569,000**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE					
FUND SOURCE					
General Fund Special	565,600	31,000	31,000	31,000	31,000

V. ADDITIONAL BUDGET ITEMS/CURRENT YEAR

Item# /Type Service Unit/Description	Fund Source /Subtotal	Request	Branch Budget	House	Senate	Conference
1/BR Local Jail Allotment: Restore FY 1992 Budget Reductions to County Jail Allotments	GS	534,600				
2/E Jailers' Expense Allowance: Provide for Increased Social Security Requirements	GS	31,000	31,000	31,000	31,000	31,000
GRAND TOTAL		**565,600**	**31,000**	**31,000**	**31,000**	**31,000**

1992 GENERAL ASSEMBLY

FB 1992-94 STATE/EXECUTIVE BRANCH BUDGET MEMORANDUM

LA. LABOR

APRIL 1, 1992

1992 GENERAL ASSEMBLY
FB 1992-94 CONFERENCE ANALYSIS
GENERAL FUND SUMMARY

FUNCTION: Labor Cabinet

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
KY. Occupation Safety & Health Review Commission							
Administration & Support	264,600	288,500	288,500	288,500	308,600	308,600	308,600
Work Place Standards	1,660,400	1,482,700	1,482,700	1,482,700	1,529,600	1,529,600	1,529,600
Dept. of Workers Claims							
Operating Budget Total	1,925,000	1,771,200	1,771,200	1,771,200	1,838,200	1,838,200	1,838,200
Capital Budget							
Grand Total	**1,925,000**	**1,771,200**	**1,771,200**	**1,771,200**	**1,838,200**	**1,838,200**	**1,838,200**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Labor

Agency: **Cabinet Summary**
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	1,925,000	1,771,200	1,771,200	1,771,200	1,838,200	1,838,200	1,838,200
Restricted Funds	117,335,100	130,713,400	130,713,400	130,713,400	142,300,100	142,300,100	142,300,100
Federal Funds	5,100,200	5,247,400	5,247,400	5,247,400	5,502,100	5,502,100	5,502,100
TOTAL FUNDS	**124,360,300**	**137,732,000**	**137,732,000**	**137,732,000**	**149,640,400**	**149,640,400**	**149,640,400**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	16,921,900	18,151,200	18,151,200	18,151,200	19,024,500	19,024,500	19,024,500
Operating Expenses	3,738,300	4,023,300	4,023,300	4,023,300	4,126,400	4,126,400	4,126,400
Grants, Loans, Benefits	103,257,500	115,290,000	115,290,000	115,290,000	126,295,600	126,295,600	126,295,600
Capital Outlay	442,600	267,500	267,500	267,500	193,900	193,900	193,900
TOTAL EXPENDITURES	**124,360,300**	**137,732,000**	**137,732,000**	**137,732,000**	**149,640,400**	**149,640,400**	**149,640,400**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	1,925,000	1,671,200	1,671,200	1,671,200	1,738,200	1,738,200	1,738,200
Restricted Funds	117,335,100	118,204,600	118,204,600	118,204,600	118,887,400	118,887,400	118,887,400
Federal Funds	5,100,200	5,046,500	5,046,500	5,046,500	5,297,200	5,297,200	5,297,200
TOTAL CURRENT	**124,360,300**	**124,922,300**	**124,922,300**	**124,922,300**	**125,922,800**	**125,922,800**	**125,922,800**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		100,000	100,000	100,000	100,000	100,000	100,000
Restricted Funds		12,508,800	12,508,800	12,508,800	23,412,700	23,412,700	23,412,700
Federal Funds		200,900	200,900	200,900	204,900	204,900	204,900
TOTAL ADDITIONAL		**12,809,700**	**12,809,700**	**12,809,700**	**23,717,600**	**23,717,600**	**23,717,600**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Labor
Agency: Office of the Secretary
Unit: Administration and Support

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	264,600	288,500	288,500	288,500	308,600	308,600	308,600
Restricted Funds	2,385,200	2,852,300	2,852,300	2,852,300	2,818,400	2,818,400	2,818,400
TOTAL FUNDS	**2,649,800**	**3,140,800**	**3,140,800**	**3,140,800**	**3,127,000**	**3,127,000**	**3,127,000**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	2,208,200	2,551,400	2,551,400	2,551,400	2,590,900	2,590,900	2,590,900
Operating Expenses	363,600	394,600	394,600	394,600	425,800	425,800	425,800
Grants, Loans, Benefits	73,000	100,000	100,000	100,000	100,000	100,000	100,000
Capital Outlay	5,000	94,800	94,800	94,800	10,300	10,300	10,300
TOTAL EXPENDITURES	**2,649,800**	**3,140,800**	**3,140,800**	**3,140,800**	**3,127,000**	**3,127,000**	**3,127,000**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	264,600	188,500	188,500	188,500	208,600	208,600	208,600
Restricted Funds	2,385,200	2,667,100	2,667,100	2,667,100	2,726,500	2,726,500	2,726,500
TOTAL CURRENT	**2,649,800**	**2,855,600**	**2,855,600**	**2,855,600**	**2,935,100**	**2,935,100**	**2,935,100**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		100,000	100,000	100,000	100,000	100,000	100,000
Restricted Funds		185,200	185,200	185,200	91,900	91,900	91,900
TOTAL ADDITIONAL		**285,200**	**285,200**	**285,200**	**191,900**	**191,900**	**191,900**

V. ADDITIONAL BUDGET ITEMS

Item#	**Fund Source**		**FY 1992-93**			**FY 1993-94**	
/Type Service Unit/Description	**/Subtotal**	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
1/E Create 2 PFT data processing positions and purchase additional hardware and software to enhance systems development in the Technical Support Branch.	R	185,200	185,200	185,200	91,900	91,900	91,900

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
2/E Provide funds to support the Labor Management Relations Grant program authorized by the 1990 General Assembly. This will allow the Cabinet to increase the number of grants from 12 to 19.	G	100,000	100,000	100,000	100,000	100,000	100,000
RECAP BY FUND SOURCE	G	**100,000**	**100,000**	**100,000**	**100,000**	**100,000**	**100,000**
	R	**185,200**	**185,200**	**185,200**	**91,900**	**91,900**	**91,900**
GRAND TOTAL ADDITIONAL BUDGET		**285,200**	**285,200**	**285,200**	**191,900**	**191,900**	**191,900**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced General Funds in the Labor Management Relations program. Additional Restricted Funds of $185,200 in FY 1992-93 and $91,900 in FY 1993-94 are recommended for two additional computer programmers and to upgrade computer equipment and programing. The Branch Budget recommends the Secretary of Labor be authorized to transfer appropriations between and among departments during FB 1992-94.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the following exception: The Labor Management Relations Grant program is increased $100,000 in General Funds each year of the 1992-94 biennium.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the Senate and the House with the following exception: The Secretary of Labor shall not have the authority to tramsfer appropriations among departments during FB 1992-94.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: **LABOR CABINET**

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY: OFFICE OF THE SECRETARY										
1 DEPARTMENTAL COMPUTER SYSTEM	RF				468,000	468,000	468,000			
2 COMPUTER IMAGING SYSTEM	RF				344,000	344,000	344,000	341,000	341,000	341,000
AGENCY	**TOTAL**				**812,000**	**812,000**	**812,000**	**341,000**	**341,000**	**341,000**
Restricted Fund					812,000	812,000	812,000	341,000	341,000	341,000
AGENCY	**TOTAL**				**812,000**	**812,000**	**812,000**	**341,000**	**341,000**	**341,000**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/26/92
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Governmental Branch: Executive | **Agency: Workplace Standards**
Cabinet/Function: Labor | **Unit:**

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	1,660,400	1,482,700	1,482,700	1,482,700	1,529,600	1,529,600	1,529,600
Restricted Funds	108,048,300	120,356,000	120,356,000	120,356,000	131,621,700	131,621,700	131,621,700
Federal Funds	4,779,400	4,905,300	4,905,300	4,905,300	5,143,400	5,143,400	5,143,400
TOTAL FUNDS	**114,488,100**	**126,744,000**	**126,744,000**	**126,744,000**	**138,294,700**	**138,294,700**	**138,294,700**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	9,061,300	9,414,500	9,414,500	9,414,500	9,904,800	9,904,800	9,904,800
Operating Expenses	1,831,900	2,016,800	2,016,800	2,016,800	2,060,700	2,060,700	2,060,700
Grants, Loans, Benefits	103,184,500	115,190,000	115,190,000	115,190,000	126,195,600	126,195,600	126,195,600
Capital Outlay	410,400	122,700	122,700	122,700	133,600	133,600	133,600
TOTAL EXPENDITURES	**114,488,100**	**126,744,000**	**126,744,000**	**126,744,000**	**138,294,700**	**138,294,700**	**138,294,700**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	1,660,400	1,482,700	1,482,700	1,482,700	1,529,600	1,529,600	1,529,600
Restricted Funds	108,048,300	108,356,000	108,356,000	108,356,000	108,621,700	108,621,700	108,621,700
Federal Funds	4,779,400	4,704,400	4,704,400	4,704,400	4,938,500	4,938,500	4,938,500
TOTAL CURRENT	**114,488,100**	**114,543,100**	**114,543,100**	**114,543,100**	**115,089,800**	**115,089,800**	**115,089,800**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Restricted Funds		12,000,000	12,000,000	12,000,000	23,000,000	23,000,000	23,000,000
Federal Funds		200,900	200,900	200,900	204,900	204,900	204,900
TOTAL ADDITIONAL		**12,200,900**	**12,200,900**	**12,200,900**	**23,204,900**	**23,204,900**	**23,204,900**

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/M Provide funds for Special Fund awards anticipated to increase 12% (430 new cases) in each year of the biennium. Also provides additional operating expenses for increased caseload.	R	12,000,000	12,000,000	12,000,000	23,000,000	23,000,000	23,000,000
2/M Provide 4 PFT positions (Admin. Assistant, Research Analyst, Staff Assistant and Secretary) to implement mandatory federal/state survey program analyzing injury and illness statistics.	F	121,700	121,700	121,700	127,700	127,700	127,700
3/E Provide additional operating funds for the Compliance Division for required training, additional travel costs, etc.	F	45,600	45,600	45,600	43,600	43,600	43,600
4/E Provide additional operating funds in the OSH Educ. and Training Division for printing of standards publications and additional computer maintenance.	F	33,600	33,600	33,600	33,600	33,600	33,600
RECAP BY FUND SOURCE	**R** **F**	**12,000,000** **200,900**	**12,000,000** **200,900**	**12,000,000** **200,900**	**23,000,000** **204,900**	**23,000,000** **204,900**	**23,000,000** **204,900**
GRAND TOTAL ADDITIONAL BUDGET		**12,200,900**	**12,200,900**	**12,200,900**	**23,204,900**	**23,204,900**	**23,204,900**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced General Funds each year of the biennium in the Employment Standards Division and recommends additional Restricted Funds of $12,000,000 in FY 1992-93 and $23,000,000 in FY 1993-94 for special fund awards. Additional Federal Funds of $121,700 in FY 1992-93 and $127,700 in FY 1993-94 are recommended for four positions which will be used to implement a mandatory federal/state program analyzing injury and illness statistics. Additional Federal Funds of $45,600 in FY 1992-93 and $43,600 in FY 1993-94 for required training, additional travel, etc. for the Compliance Division. Additional Federal Funds of $33,600 each year of the biennium are recommended for additional operating funds for the OSH Education and Training Division.

HOUSE REPORT

The House concurs with the branch recommendation.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the Senate and the House.

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive **Agency: Workers' Claims**
Cabinet/Function: Labor **Unit: Workers' Compensation**

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
Restricted Funds	6,901,600	7,505,100	7,505,100	7,505,100	7,860,000	7,860,000	7,860,000
II. EXPENDITURES BY CATEGORY							
Personnel Costs	5,362,400	5,874,100	5,874,100	5,874,100	6,201,600	6,201,600	6,201,600
Operating Expenses	1,513,000	1,581,000	1,581,000	1,581,000	1,608,400	1,608,400	1,608,400
Capital Outlay	26,200	50,000	50,000	50,000	50,000	50,000	50,000
TOTAL EXPENDITURES	**6,901,600**	**7,505,100**	**7,505,100**	**7,505,100**	**7,860,000**	**7,860,000**	**7,860,000**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
Restricted Funds	6,901,600	7,181,500	7,181,500	7,181,500	7,539,200	7,539,200	7,539,200
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Restricted Funds		323,600	323,600	323,600	320,800	320,800	320,800

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/E Provide funds for the Processing and Compliance section for 12 additional PFT support staff and related operating expenses.	R	298,600	298,600	298,600	295,800	295,800	295,800
2/E Provide funds for medical fee consultant.	R	25,000	25,000	25,000	25,000	25,000	25,000
RECAP BY FUND SOURCE	R	**323,600**	**323,600**	**323,600**	**320,800**	**320,800**	**320,800**
GRAND TOTAL ADDITIONAL BUDGET		**323,600**	**323,600**	**323,600**	**320,800**	**320,800**	**320,800**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends increased funding for the Department, which operates on Restricted Funds only. Additional Restricted Funds of $298,600 in FY 1992-93 and $295,800 in FY 1993-94 are recommended for twelve (12) additional support staff positions and related operating expenses. Additional Restricted Funds of $25,000 each year of the biennium are recommended for a consultant to assist in preparing medical, hospital and pharmaceutical fee schedules.

HOUSE REPORT

The House concurs with the Branch Budget recommendation.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the Senate and the House.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Labor

Agency: **Occupational Safety & Health Review Comm.**
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
Federal Funds	320,800	342,100	342,100	342,100	358,700	358,700	358,700
II. EXPENDITURES BY CATEGORY							
Personnel Costs	290,000	311,200	311,200	311,200	327,200	327,200	327,200
Operating Expenses	29,800	30,900	30,900	30,900	31,500	31,500	31,500
Capital Outlay	1,000						
TOTAL EXPENDITURES	**320,800**	**342,100**	**342,100**	**342,100**	**358,700**	**358,700**	**358,700**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
Federal Funds	320,800	342,100	342,100	342,100	358,700	358,700	358,700

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends continuation of existing services and programs.

HOUSE REPORT
The House concurs with the Branch Budget.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the Senate and the House.

1992 GENERAL ASSEMBLY

FB 1992-94 STATE/EXECUTIVE BRANCH BUDGET MEMORANDUM

NR. NATURAL RESOURCES/ ENVIRONMENTAL RESOURCES

APRIL 1, 1992

1992 GENERAL ASSEMBLY
FB 1992-94 CONFERENCE ANALYSIS
GENERAL FUND SUMMARY

FUNCTION: Natural Resources

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
Dept. for Natural Resources	8,561,400	7,303,700	7,956,100	7,956,100	7,617,700	8,286,000	8,286,000
Dept. for Evironmental Protection	22,025,100	18,870,400	16,302,000	18,870,400	19,272,600	16,609,800	19,272,600
Dept. for Surface Mining	11,765,500	12,153,900	12,153,900	12,153,900	12,202,700	12,202,700	12,202,700
Dept. of Law	1,574,500	1,331,400	1,331,400	1,331,400	1,819,800	1,819,800	1,819,800
General Admin. & Support	2,904,900	3,096,200	3,096,200	3,096,200	3,182,200	3,182,200	3,182,200
Cabinet Total	46,831,400	42,755,600	40,839,600	43,408,000	44,095,000	42,100,500	44,763,300
Environmental Quality Commission	177,300	175,600	175,600	175,600	178,700	178,700	178,700
Nature Preserves Commission	394,900	394,100	394,100	394,100	382,500	382,500	382,500
PSTEAF							
KY. River Authority							
Operating Budget Total	47,403,600	43,325,300	41,409,300	43,977,700	44,656,200	42,661,700	45,324,500
Capital Budget		100,000	100,000	100,000	100,000	100,000	100,000
Grand Total	**47,403,600**	**43,425,300**	**41,509,300**	**44,077,700**	**44,756,200**	**42,761,700**	**45,424,500**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Natural Resources

Agency: **Function Summary**
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	47,403,600	43,325,300	41,409,300	43,977,700	44,656,200	42,661,700	45,324,500
Restricted Funds	23,980,800	28,554,500	31,322,300	28,572,200	29,214,100	31,975,800	29,258,400
Federal Funds	36,078,200	33,626,000	33,626,000	33,626,000	32,335,900	32,335,900	32,335,900
TOTAL FUNDS	**107,462,600**	**105,505,800**	**106,357,600**	**106,175,900**	**106,206,200**	**106,973,400**	**106,918,800**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	68,045,800	68,291,000	68,449,100	68,291,000	69,778,600	69,824,100	69,778,600
Operating Expenses	28,018,600	26,008,500	26,032,100	26,008,500	26,282,600	26,291,700	26,282,600
Grants, Loans, Benefits	6,374,600	6,991,600	7,661,700	7,661,700	6,216,500	6,929,100	6,929,100
Debt Service		220,600	220,600	220,600	220,600	220,600	220,600
Capital Outlay	4,586,600	1,652,700	1,652,700	1,652,700	1,422,200	1,422,200	1,422,200
Construction	437,000	2,341,400	2,341,400	2,341,400	2,285,700	2,285,700	2,285,700
TOTAL EXPENDITURES	**107,462,600**	**105,505,800**	**106,357,600**	**106,175,900**	**106,206,200**	**106,973,400**	**106,918,800**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	47,403,600	42,201,700	39,633,300	42,201,700	43,395,600	40,732,800	43,395,600
Restricted Funds	23,980,800	24,052,600	26,621,000	24,052,600	24,152,500	26,815,300	24,152,500
Federal Funds	35,984,700	33,458,700	33,458,700	33,458,700	32,221,700	32,221,700	32,221,700
TOTAL CURRENT	**107,369,100**	**99,713,000**	**99,713,000**	**99,713,000**	**99,769,800**	**99,769,800**	**99,769,800**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		1,123,600	1,776,000	1,776,000	1,260,600	1,928,900	1,928,900
Restricted Funds		4,501,900	4,701,300	4,519,600	5,061,600	5,160,500	5,105,900
Federal Funds	93,500	167,300	167,300	167,300	114,200	114,200	114,200
TOTAL ADDITIONAL	**93,500**	**5,792,800**	**6,644,600**	**6,462,900**	**6,436,400**	**7,203,600**	**7,149,000**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive
Cabinet/Function: Natural Resources

Agency: **Cabinet Summary**
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	46,831,400	42,755,600	40,839,600	43,408,000	44,095,000	42,100,500	44,763,300
Restricted Funds	14,420,900	18,918,100	21,685,900	18,935,800	19,671,700	22,433,400	19,716,000
Federal Funds	35,946,700	33,455,700	33,455,700	33,455,700	32,166,300	32,166,300	32,166,300
TOTAL FUNDS	**97,199,000**	**95,129,400**	**95,981,200**	**95,799,500**	**95,933,000**	**96,700,200**	**96,645,600**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	67,130,400	67,371,900	67,530,000	67,371,900	68,910,200	68,955,700	68,910,200
Operating Expenses	18,845,100	16,832,900	16,856,500	16,832,900	17,098,400	17,107,500	17,098,400
Grants, Loans, Benefits	6,374,600	6,991,600	7,661,700	7,661,700	6,216,500	6,929,100	6,929,100
Capital Outlay	4,491,900	1,652,700	1,652,700	1,652,700	1,422,200	1,422,200	1,422,200
Construction	357,000	2,280,300	2,280,300	2,280,300	2,285,700	2,285,700	2,285,700
TOTAL EXPENDITURES	**97,199,000**	**95,129,400**	**95,981,200**	**95,799,500**	**95,933,000**	**96,700,200**	**96,645,600**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	46,831,400	41,632,000	39,063,600	41,632,000	42,834,400	40,171,600	42,834,400
Restricted Funds	14,420,900	14,665,900	17,234,300	14,665,900	14,861,000	17,523,800	14,861,000
Federal Funds	35,853,200	33,318,400	33,318,400	33,318,400	32,087,100	32,087,100	32,087,100
TOTAL CURRENT	**97,105,500**	**89,616,300**	**89,616,300**	**89,616,300**	**89,782,500**	**89,782,500**	**89,782,500**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		1,123,600	1,776,000	1,776,000	1,260,600	1,928,900	1,928,900
Restricted Funds		4,252,200	4,451,600	4,269,900	4,810,700	4,909,600	4,855,000
Federal Funds	93,500	137,300	137,300	137,300	79,200	79,200	79,200
TOTAL ADDITIONAL	**93,500**	**5,513,100**	**6,364,900**	**6,183,200**	**6,150,500**	**6,917,700**	**6,863,100**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive **Agency:** **Dept. for Natural Resources**
Cabinet/Function: Natural Resources & Environmental Prot. **Unit:**

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	8,561,400	7,303,700	7,956,100	7,956,100	7,617,700	8,286,000	8,286,000
Restricted Funds	6,384,900	6,554,100	6,571,800	6,571,800	6,207,800	6,252,100	6,252,100
Federal Funds	3,109,900	2,671,500	2,671,500	2,671,500	2,509,900	2,509,900	2,509,900
TOTAL FUNDS	**18,056,200**	**16,529,300**	**17,199,400**	**17,199,400**	**16,335,400**	**17,048,000**	**17,048,000**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	10,679,000	10,469,900	10,469,900	10,469,900	10,705,100	10,705,100	10,705,100
Operating Expenses	2,516,200	1,829,300	1,829,300	1,829,300	1,825,900	1,825,900	1,825,900
Grants, Loans, Benefits	3,690,700	3,862,100	4,532,200	4,532,200	3,461,600	4,174,200	4,174,200
Capital Outlay	1,170,300	368,000	368,000	368,000	342,800	342,800	342,800
TOTAL EXPENDITURES	**18,056,200**	**16,529,300**	**17,199,400**	**17,199,400**	**16,335,400**	**17,048,000**	**17,048,000**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	8,561,400	6,753,700	6,753,700	6,753,700	7,041,700	7,041,700	7,041,700
Restricted Funds	6,384,900	6,497,300	6,497,300	6,497,300	6,179,900	6,179,900	6,179,900
Federal Funds	3,109,900	2,671,500	2,671,500	2,671,500	2,509,900	2,509,900	2,509,900
TOTAL CURRENT	**18,056,200**	**15,922,500**	**15,922,500**	**15,922,500**	**15,731,500**	**15,731,500**	**15,731,500**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		550,000	1,202,400	1,202,400	576,000	1,244,300	1,244,300
Restricted Funds		56,800	74,500	74,500	27,900	72,200	72,200
TOTAL ADDITIONAL		**606,800**	**1,276,900**	**1,276,900**	**603,900**	**1,316,500**	**1,316,500**

V. ADDITIONAL BUDGET ITEMS

Item#	Fund Source		FY 1992-93			FY 1993-94	
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
1/RFR Commissioner's Office Replace restricted funds for the KY River Locks & Dams Program with General Fund monies.	G	400,000	400,000	400,000	426,000	426,000	426,000
2/BR/E Conservation Division Provide assistance to conservation districts in direct aid and loans.	G	50,000	50,000	50,000	50,000	50,000	50,000
3/E Forestry Division Increase the necessary government expense level for fire suppression to $240,000 annually. Base = $140,000.	G	100,000	100,000	100,000	100,000	100,000	100,000
4/E Water Patrol Provide one water patrol officer for Yatesville Lake. Funds equipment in FY 1992-93.	R	56,800	56,800	56,800	27,900	27,900	27,900
5/E Conservation Division Equipment Revolving Loan Fund	G		652,400	652,400		668,300	668,300
	R		17,700	17,700		44,300	44,300
	Total		**670,100**	**670,100**		**712,600**	**712,600**
RECAP BY FUND SOURCE	**G**	**550,000**	**1,202,400**	**1,202,400**	**576,000**	**1,244,300**	**1,244,300**
	R	**56,800**	**74,500**	**74,500**	**27,900**	**72,200**	**72,200**
GRAND TOTAL ADDITIONAL BUDGET		**606,800**	**1,276,900**	**1,276,900**	**603,900**	**1,316,500**	**1,316,500**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94. Restricted funds from the Conservation Equipment Loan Revolving Fund of $693,500 in FY 1992-93 and $757,100 in FY 1993-94 are used for operating expenses. Restricted funds from the Oil Overcharge Fund of $38,000 in each year are used for operating expenses, consistent with federal guidelines. State aid to the 121 Conservation Districts is reduced from $250,000 to $200,000 each year. Additional General Fund monies of $100,000 is provided each year for the forest fire suppression budget, bringing the total Necessary Government Expense budget to $240,000 for this purpose. Additional restricted funds from boat registration fees of $56,800 in FY 1992-93 and $27,900 in FY 1993-94 are provided for one additional water patrol officer for Yatesville Lake. The Kentucky River Locks and Dams program is funded with General Fund support of $400,000 in FY 1992-93 and $426,000 in FY 1993-94.

HOUSE REPORT
The House concurs with the Branch Budget with the exception of providing $50,000 each year from the General Fund to restore the state aid to conservation districts to its historic level of $250,000 each year.

The House provides that the Cabinet evaluate an energy conservation program for state government buildings, in light of testimony that Kentucky state government's energy costs are about $40 million annually, and that the Cabinet's Institutional Conservation Program for schools and hospitals has yielded a 25% payback for participating institutions.

SENATE REPORT
The Senate concurs with the House with the exception of providing General Fund monies of $652,400 in FY 1992-93 and $668,300 in FY 1993-94 and restricted funds of $17,700 in FY 1992-93 and $44,300 in FY 1993-94 for the Equipment Revolving Loan Fund. These additional monies effectively provide that only the interest generated from the Fund of $200,000 each year will be used for operation of the Program.

CONFERENCE REPORT
The Conference concurs with the Senate.

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Nat. Res. & Env. Prot.
Agency: Dept. for Env. Protection
Unit:

	FY 1991-92 Budget	FY 1992-93 House	Senate	Conference	FY 1993-94 House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	22,025,100	18,870,400	16,302,000	18,870,400	19,272,600	16,609,800	19,272,600
Restricted Funds	4,636,600	8,791,800	11,541,900	8,791,800	9,768,500	12,485,900	9,768,500
Federal Funds	11,456,800	10,050,700	10,050,700	10,050,700	9,116,500	9,116,500	9,116,500
TOTAL FUNDS	**38,118,500**	**37,712,900**	**37,894,600**	**37,712,900**	**38,157,600**	**38,212,200**	**38,157,600**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	27,463,900	26,999,800	27,157,900	26,999,800	27,822,800	27,868,300	27,822,800
Operating Expenses	6,937,100	6,124,300	6,147,900	6,124,300	6,277,400	6,286,500	6,277,400
Grants, Loans, Benefits	1,433,300	1,829,500	1,829,500	1,829,500	1,454,900	1,454,900	1,454,900
Capital Outlay	2,102,200	659,300	659,300	659,300	502,500	502,500	502,500
Construction Outlay	182,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
TOTAL EXPENDITURES	**38,118,500**	**37,712,900**	**37,894,600**	**37,712,900**	**38,157,600**	**38,212,200**	**38,157,600**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	22,025,100	18,311,200	15,742,800	18,311,200	18,592,800	15,930,000	18,592,800
Restricted Funds	4,636,600	4,791,200	7,359,600	4,791,200	5,307,600	7,970,400	5,307,600
Federal Funds	11,456,800	9,989,400	9,989,400	9,989,400	9,067,300	9,067,300	9,067,300
TOTAL CURRENT	**38,118,500**	**33,091,800**	**33,091,800**	**33,091,800**	**32,967,700**	**32,967,700**	**32,967,700**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		559,200	559,200	559,200	679,800	679,800	679,800
Restricted Funds		4,000,600	4,182,300	4,000,600	4,460,900	4,515,500	4,460,900
Federal Funds		61,300	61,300	61,300	49,200	49,200	49,200
TOTAL ADDITIONAL		**4,621,100**	**4,802,800**	**4,621,100**	**5,189,900**	**5,244,500**	**5,189,900**

V. ADDITIONAL BUDGET ITEMS

Item# **/Type Service Unit/Description**	**Fund Source** **/Subtotal**	FY 1992-93 **House**	**Senate**	**Conference**	FY 1993-94 **House**	**Senate**	**Conference**
1/FFR/E/Waste Management Division Provide GF support for 10 hazardous waste program staff (CERCLA) & provide funding for waste mgt. programs for clean-ups.	G	559,200	559,200	559,200	679,800	679,800	679,800
	R	2,878,700	2,878,700	2,878,700	2,981,600	2,981,600	2,981,600
	F	61,300	61,300	61,300	49,200	49,200	49,200
	Total	**3,499,200**	**3,499,200**	**3,499,200**	**3,710,600**	**3,710,600**	**3,710,600**

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
2/E/Air Quality Division Fund air quality program expansion related to 1990 Federal Clean Air Amendment. Gov.'s Rec. funds 40 positions/phased over 8 quarters, emission modeling, Small Business Technical Ass't, transfer to Law .	R	1,121,900	1,303,600	1,121,900	1,479,300	1,533,900	1,479,300
RECAP BY FUND SOURCE	G	559,200	559,200	559,200	679,800	679,800	679,800
	R	4,000,600	4,182,300	4,000,600	4,460,900	4,515,500	4,460,900
	F	61,300	61,300	61,300	49,200	49,200	49,200
GRAND TOTAL ADDITIONAL BUDGET		4,621,100	4,802,800	4,621,100	5,189,900	5,244,500	5,189,900

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in the Commissioner's Office and the Division of Water. Additional restricted funds from the Hazardous Waste Assessment Fund are used for operating the Environmental Response Program in the Division of Water ($138,900 in FY 1992-93 and $146,500 in FY 1993-94) and for the Uncontrolled Sites Program in the Division of Waste Management ($611,100 in FY 1992-93 and $658,000 in FY 1993-94). Additional restricted funds are recommended to replace current General Fund support for the following programs: the Underground Storage Tank Fund, $445,100 in FY 1992-93 and $437,000 in FY 1993-94; the Waste Tire Fund, $30,000 each year; the Resource Conservation and Recovery Fund, $37,000 in FY 1992-93.

The contract for outside legal services for the Maxey Flats litigation is transferred to the Department of Law in the amounts of $250,000 in FY 1992-93 and $100,000 in FY 1993-94. Contract expenses of $250,000 each year for outside laboratory tests is eliminated.

The Branch Budget recommends, in anticipation of the requirements mandated by the federal Clean Air Act Amendments of 1990, conversion of the Air Quality Division's funding to an emission fee structure beginning July 1, 1992. The recommended General Fund support is solely for the Asbestos Program, as is $70,000 each year in related restricted funds. Restricted funds of $4,832,600 in FY 1992-93 and $5,317,800 in FY 1993-94 are provided for the new clean air program requirements.

Forty new positions are authorized for the Air Quality Program and three for the Department of Law, on a phased basis. Personnel and operating expenses for these positions are $456,200 in FY 1992-93 and $1,066,800 in FY 1993-94. Included is the Department of Law funding of $75,600 in FY 1992-93 and $112,100 which is an operating transfer. Contractual expenses are provided for the following purposes: modeling analysis for emissions reduction requirements ($300,000 in FY 1992-93), computer program for automated fee billing and accounting system ($80,000 in FY 1992-93), and the Small Business Technical Assistance Program ($22,500 in FY 1992-93 and $142,500 in FY 1993-94). Capital outlay expenses of $369,300 in FY 1992-93 and $212,500 in FY 19923-94. The total new expenditure authority is $1,303,600 in FY 1992-93 and $1,533,900 in FY 1993-94; the amount provided to continue support of the base program is $3,529,000 in FY 1992-93 and $3,783,900 in FY 1993-94.

HOUSE REPORT

The House concurs with the Branch Budget with the exception of providing that the General Fund budget be reduced by $50,000 in FY 1992-93 and $35,000 in FY 1993-94, to be budgeted in the Department for Natural Resources to restore state aid to the Commonwealth's 121 conservation districts, for the purpose of promoting conservation practices to correct erosion and water quality problems.

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As to the 1990 Federal Clean Air Program implementation, the House recommends a lower expansion level reflecting a more gradual phase in of the new program requirements, and decreases the computer program for billing purposes to $40,000. It is recommended that the General Fund participate in funding the Air Quality Division's programs during the biennium at the level of $2,568,400 in FY 1992-93 and $2,662,800 in FY 1993-94, and that the emission fee structure provide receipts of $2,131,200 in FY 1992-93 and $2,664,000 in FY 1993-94.

It is recommended that the Governor appoint a task force to assist the Cabinet in the implementation of the federal Clean Air Act Amendments. The task force shall be comprised of representatives of industry, the environmental community, and the Cabinet, and shall report quarterly to the Legislative Research Commission for referral to appropriate committees.

The Department shall coordinate and cooperate with the Department of Parks concerning the its underground storage tanks and compliance with program requirements.

The Department shall provide to the Legislative Research Commission for referral to the appropriate committees quarterly reports of the status of the permit tracking and time and accounting systems.

SENATE REPORT
The Senate concurs with the House Report with the exception of funding for the 1990 Federal Clean Air Program implementation. The Senate recommends that the Program be expanded at the same level as the Branch Budget recommendation and that it be financed with restricted funds totalling $4,832,600 in FY 1992-93 and $5,317,800 in FY 1993-94, and not with General Fund monies of $2,568,400 in FY 1992-93 and $2,662,800 in FY 1993-94. The appointment of a task force is not recommended.

CONFERENCE REPORT
The Conference concurs with the House.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: NATURAL RESOURCE AND ENVIRONMENTAL PROTECT CAB

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	DEPT FOR ENVIRONMENTAL PROTECTION										
1	GAS CHROMATOGRAPH/MASS SPECTROGRAPH	II							91,000	91,000	91,000
		CC				91,000	91,000	91,000			
2	INDUCTIVELY COUPLED PLASMA SPEC.	II							43,000	43,000	43,000
		CC				43,000	43,000	43,000			
3	ATOMIC ABSORPTION SPECTROMETER	II							26,000	26,000	26,000
		CC				26,000	26,000	26,000			
4	HIGH PERFORMANCE LIQ. CHROMATOGRAPH	II							18,000	18,000	18,000
		CC				18,000	18,000	18,000			
8	STATE OWNED DAM REPAIR *Reauthorization*	II				1,000,000	1,000,000	1,000,000	500,000	500,000	500,000
11	SOLID WASTE REVOLVING LOAN & GRANT *Reauthorization*										
12	LEAKING UNDERGROUND TANKS (Federal)	FF				780,000	780,000	780,000			
		RF				87,000	87,000	87,000			
13	MOBILE AIR TOXICS MONITORING LAB.	FF				211,000	211,000	211,000			
		RF				211,000	211,000	211,000			
14	LEAKING UNDERGROUND TANKS (State)	RF				500,000	500,000	500,000	500,000	500,000	500,000

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: NATURAL RESOURCE AND ENVIRONMENTAL PROTECT CAB

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
15 HAZARDOUS WASTE ASSESSMENT FUND	RF				2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
AGENCY	**TOTAL**				**5,067,000**	**5,067,000**	**5,067,000**	**3,278,000**	**3,278,000**	**3,278,000**
Federal Fund					991,000	991,000	991,000			
Restricted Fund					2,898,000	2,898,000	2,898,000	2,600,000	2,600,000	2,600,000
Investment Income					1,000,000	1,000,000	1,000,000	678,000	678,000	678,000
Capital Construction Surplus					178,000	178,000	178,000			
AGENCY	**TOTAL**				**5,067,000**	**5,067,000**	**5,067,000**	**3,278,000**	**3,278,000**	**3,278,000**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Nat. Res. & Env. Prot.
Agency: Dept. for Surface Mining
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	11,765,500	12,153,900	12,153,900	12,153,900	12,202,700	12,202,700	12,202,700
Restricted Funds	3,334,500	3,485,400	3,485,400	3,485,400	3,575,500	3,575,500	3,575,500
Federal Funds	17,642,000	16,261,200	16,261,200	16,261,200	16,525,200	16,525,200	16,525,200
TOTAL FUNDS	**32,742,000**	**31,900,500**	**31,900,500**	**31,900,500**	**32,303,400**	**32,303,400**	**32,303,400**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	22,142,200	22,258,200	22,258,200	22,258,200	22,608,400	22,608,400	22,608,400
Operating Expenses	8,046,400	7,551,000	7,551,000	7,551,000	7,637,200	7,637,200	7,637,200
Grants, Loans, Benefits	1,250,600	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Capital Outlay	1,127,800	611,000	611,000	611,000	572,100	572,100	572,100
Construction Outlay	175,000	180,300	180,300	180,300	185,700	185,700	185,700
TOTAL EXPENDITURES	**32,742,000**	**31,900,500**	**31,900,500**	**31,900,500**	**32,303,400**	**32,303,400**	**32,303,400**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	11,765,500	12,153,900	12,153,900	12,153,900	12,202,700	12,202,700	12,202,700
Restricted Funds	3,334,500	3,366,200	3,366,200	3,366,200	3,365,700	3,365,700	3,365,700
Federal Funds	17,642,000	16,185,200	16,185,200	16,185,200	16,495,200	16,495,200	16,495,200
TOTAL CURRENT	**32,742,000**	**31,705,300**	**31,705,300**	**31,705,300**	**32,063,600**	**32,063,600**	**32,063,600**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Restricted Funds		119,200	119,200	119,200	209,800	209,800	209,800
Federal Funds		76,000	76,000	76,000	30,000	30,000	30,000
TOTAL ADDITIONAL		**195,200**	**195,200**	**195,200**	**239,800**	**239,800**	**239,800**

V. ADDITIONAL BUDGET ITEMS

Item#	Fund Source	FY 1992-93			FY 1993-94		
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
1/E/Abandoned Lands Division Increase funding for reclamation program. Restricted funds reflect increased bond forfeiture spending. Federal funds includes $30,000 each year for water studies with counties and $46,000 in computer equipment.	R	96,500	96,500	96,500	195,900	195,900	195,900
	F	76,000	76,000	76,000	30,000	30,000	30,000
	Total	**172,500**	**172,500**	**172,500**	**225,900**	**225,900**	**225,900**
2/BR/E/Commissioner's Office Restricted funds from Bond Pool Fund are for actuarial costs.	R	22,700	22,700	22,700	13,900	13,900	13,900
RECAP BY FUND SOURCE	**R**	**119,200**	**119,200**	**119,200**	**209,800**	**209,800**	**209,800**
	F	**76,000**	**76,000**	**76,000**	**30,000**	**30,000**	**30,000**
GRAND TOTAL ADDITIONAL BUDGET		**195,200**	**195,200**	**195,200**	**239,800**	**239,800**	**239,800**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in all subunits with the exception of the Abandoned Lands Division. Two positions in the Permits Division and six positions in the Field Services Division, and associated operating expenses are not funded in FB 1992-94. Additional restricted funds from the Bond Pool Fund of $22,700 in FY 1992-93 and $13,900 in FY 1993-94 are provided for actuarial costs. Additional restricted funds of $96,500 in FY 1992-93 and $195,900 in FY 1993-94 are provided for increased reclamation activities on forfeited bond sites. Additional federal funds of $76,000 in FY 1992-93 and $30,000 in FY 1993-94 are provided for water studies and for computer equipment for planning and design of abandoned mine land reclamation projects. No funding was provided for the Permit Ownership and Control Program.

HOUSE REPORT

The House concurs with the Branch Budget with the exception of providing that any resource savings resulting from the decline of activities in the Surface Mining Program be authorized for expenditure for purposes of the air, waste, and water programs. Prior to expenditure of such monies, the Cabinet shall document such savings and its spending plan, and transmit such to the Interim Joint Committee on Appropriations and Revenue, and the State Budget Director.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: NATURAL RESOURCE AND ENVIRONMENTAL PROTECT CAB

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY: DEPT FOR SURFACE MINING RECLAMATION & ENFORCEMENT										
4 KY. ABANDONED LANDS RECLAMATION PR. *Reauthorization*	FF				16,500,000	16,500,000	16,500,000	16,000,000	16,000,000	16,000,000
AGENCY	**TOTAL**				**16,500,000**	**16,500,000**	**16,500,000**	**16,000,000**	**16,000,000**	**16,000,000**
Federal Fund					16,500,000	16,500,000	16,500,000	16,000,000	16,000,000	16,000,000
AGENCY	**TOTAL**				**16,500,000**	**16,500,000**	**16,500,000**	**16,000,000**	**16,000,000**	**16,000,000**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Nat. Res. & Env. Prot.
Agency: Dept. of Law
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	1,574,500	1,331,400	1,331,400	1,331,400	1,819,800	1,819,800	1,819,800
Restricted Funds	6,500	75,600	75,600	75,600	112,100	112,100	112,100
Federal Funds	3,356,400	4,126,700	4,126,700	4,126,700	3,689,500	3,689,500	3,689,500
TOTAL FUNDS	**4,937,400**	**5,533,700**	**5,533,700**	**5,533,700**	**5,621,400**	**5,621,400**	**5,621,400**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	4,336,100	4,971,100	4,971,100	4,971,100	5,034,100	5,034,100	5,034,100
Operating Expenses	587,800	562,600	562,600	562,600	587,300	587,300	587,300
Capital Outlay	13,500						
TOTAL EXPENDITURES	**4,937,400**	**5,533,700**	**5,533,700**	**5,533,700**	**5,621,400**	**5,621,400**	**5,621,400**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	1,574,500	1,331,400	1,331,400	1,331,400	1,819,800	1,819,800	1,819,800
Restricted Funds	6,500						
Federal Funds	3,262,900	4,126,700	4,126,700	4,126,700	3,689,500	3,689,500	3,689,500
TOTAL CURRENT	**4,843,900**	**5,458,100**	**5,458,100**	**5,458,100**	**5,509,300**	**5,509,300**	**5,509,300**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Restricted Funds		75,600	75,600	75,600	112,100	112,100	112,100
Federal Funds	93,500						
TOTAL ADDITIONAL	**93,500**	**75,600**	**75,600**	**75,600**	**112,100**	**112,100**	**112,100**

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	**Fund Source /Subtotal**	**FY 1992-93 House**	**FY 1992-93 Senate**	**FY 1992-93 Conference**	**FY 1993-94 House**	**FY 1993-94 Senate**	**FY 1993-94 Conference**
1/E/Nat. Res. & Env. Protection Legal Division Implement legal services activities to support Clean Air Program. Governor's Rec. funds two attorneys and one paralegal on a phased hiring schedule.	R	75,600	75,600	75,600	112,100	112,100	112,100
RECAP BY FUND SOURCE	**R**	**75,600**	**75,600**	**75,600**	**112,100**	**112,100**	**112,100**
GRAND TOTAL ADDITIONAL BUDGET		**75,600**	**75,600**	**75,600**	**112,100**	**112,100**	**112,100**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends a higher personnel costs for the attorney series due to the salary upgrade during the last Interim, and reduced operating expenses. The number of positions are reduced by 20 from the FY 1991-92 budgeted levels, with an additional 3 positions added for the Air Program legal services activities, resulting in a net loss of 17 positions. Restricted funds to be generated from air emissions permits of $75,600 in FY 1992-93 and $112,100 in FY 1993-94 are added for two attorneys and one paralegal, hired on a phased basis. Federal funds are recommended to partially substitute for General Fund monies. No additional funding is provided for the Surface Mining Permit Ownership and Control Program.

HOUSE REPORT

The House concurs with the Branch Budget with the exception that a technical amendment providing for the authorization of the current year supplemental of $93,500 in federal funds be placed in the Budget Bill. The monies were included in the Governor's Recommendation.

The House provides that any resource savings resulting from the decline of activities in the Surface Mining Program be authorized for expenditure for purposes of legal services activities for the air, waste, and water programs. Prior to expenditure of such monies, the Cabinet shall document such savings and its spending plan, and transmit such to the Interim Joint Committee on Appropriations and Revenue, and the State Budget Director.

The Department shall provide to the Legislative Research Commission for referral to the appropriate committees quarterly reports of its activities, to include the number of attorneys and the respective caseloads for coal and non-coal programs.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

CONFERENCE ANALYSIS
CURRENT YEAR BUDGET REQUESTS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive **Agency:** **Dept. of Law**
Cabinet/Function: Nat. Res. & Env. Prot. **Unit:**

	Request	Branch	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:					
FUND SOURCE					
General Fund	1,574,500	1,574,500	1,574,500	1,574,500	1,574,500
Restricted Funds	6,500	6,500	6,500	6,500	6,500
Federal Funds	3,961,900	3,356,400	3,356,400	3,356,400	3,356,400
TOTAL FUNDS	**5,542,900**	**4,937,400**	**4,937,400**	**4,937,400**	**4,937,400**
II. EXPENDITURES BY CATEGORY					
Personnel Costs	4,941,600	4,336,100	4,336,100	4,336,100	4,336,100
Operating Expenses	587,800	587,800	587,800	587,800	587,800
Capital Outlay	13,500	13,500	13,500	13,500	13,500
TOTAL EXPENDITURES	**5,542,900**	**4,937,400**	**4,937,400**	**4,937,400**	**4,937,400**
III. CURRENT SERVICES BUDGET					
FUND SOURCE					
General Fund	1,574,500	1,574,500	1,574,500	1,574,500	1,574,500
Restricted Funds	6,500	6,500	6,500	6,500	6,500
Federal Funds	3,262,900	3,262,900	3,262,900	3,262,900	3,262,900
TOTAL CURRENT	**4,843,900**	**4,843,900**	**4,843,900**	**4,843,900**	**4,843,900**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE					
FUND SOURCE					
Federal Funds	699,000	93,500	93,500	93,500	93,500

V. ADDITIONAL BUDGET ITEMS/CURRENT YEAR

Item# /Type Service Unit/Description	**Fund Source /Subtotal**	**Request**	**Branch Budget**	**House**	**Senate**	**Conference**
1/E/Nat.Res.& Env.Prot. Legal Div. Provide personnel funding to maintain programmatic levels in FB90-92 Environmental Mgt. Plan. Relates to salary upgrades of attorney series per 2/91 Personnel order.	F	189,100				
2/E/S. Mining Legal Division Provides personnel funding to maintain programmatic levels in FB90-92 Environmental Mgt. Plan. Relates to salary upgrades of attorney series per 2/91 Personnel order.	F	509,900	93,500	93,500	93,500	93,500
GRAND TOTAL		**699,000**	**93,500**	**93,500**	**93,500**	**93,500**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Nat. Res. & Env. Prot.

Agency: **Gen. Adm. & Support**
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	2,904,900	3,096,200	3,096,200	3,096,200	3,182,200	3,182,200	3,182,200
Restricted Funds	58,400	11,200	11,200	11,200	7,800	7,800	7,800
Federal Funds	381,600	345,600	345,600	345,600	325,200	325,200	325,200
TOTAL FUNDS	**3,344,900**	**3,453,000**	**3,453,000**	**3,453,000**	**3,515,200**	**3,515,200**	**3,515,200**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	2,509,200	2,672,900	2,672,900	2,672,900	2,739,800	2,739,800	2,739,800
Operating Expenses	757,600	765,700	765,700	765,700	770,600	770,600	770,600
Capital Outlay	78,100	14,400	14,400	14,400	4,800	4,800	4,800
TOTAL EXPENDITURES	**3,344,900**	**3,453,000**	**3,453,000**	**3,453,000**	**3,515,200**	**3,515,200**	**3,515,200**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	2,904,900	3,081,800	3,081,800	3,081,800	3,177,400	3,177,400	3,177,400
Restricted Funds	58,400	11,200	11,200	11,200	7,800	7,800	7,800
Federal Funds	381,600	345,600	345,600	345,600	325,200	325,200	325,200
TOTAL CURRENT	**3,344,900**	**3,438,600**	**3,438,600**	**3,438,600**	**3,510,400**	**3,510,400**	**3,510,400**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		14,400	14,400	14,400	4,800	4,800	4,800

V. ADDITIONAL BUDGET ITEMS			FY 1992-93			FY 1993-94	
Item# **/Type Service Unit/Description**	**Fund Source** **/Subtotal**	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
1/E/Hearings Division Fund replacement of office furniture and computer equipment. Governor's Recommendation is for computer equipment only.	G	14,400	14,400	14,400	4,800	4,800	4,800
RECAP BY FUND SOURCE	**G**	**14,400**	**14,400**	**14,400**	**4,800**	**4,800**	**4,800**
GRAND TOTAL ADDITIONAL BUDGET		**14,400**	**14,400**	**14,400**	**4,800**	**4,800**	**4,800**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends funding six data processing positions in this appropriation unit in support of the Cabinet's centralized Vax-4000 computer system which were funded in the programmatic units in FY 1991-92. Four positions and associated operating expenses are reduced from budgeted FY 1991-92 levels. No capital outlay funding was provided for technology improvements except for $14,400 in FY 1992-93 and $4,800 in FY 1993-94 for three computers and a printer necessary to replace manual equipment in the Hearings Division.

The Branch Budget recommends that the Cabinet Secretary be authorized to transfer appropriations among and between the appropriation units in the Cabinet.

HOUSE REPORT

The House concurs with the Branch Budget with the exception of providing that any monies saved from the consolidation and coordination of administrative functions within the Cabinet shall be redirected for the purchase of information technology, in the approved Information Resources Plan, in order to better coordinate the Cabinet's various databases and to improve communication between the Cabinet offices, including the Frankfort offices located in 22 separate buildings. Prior to expenditure of such monies, the Cabinet shall document such savings and its spending plan, and transmit such to the Interim Joint Committee on Appropriations and Revenue, and the State Budget Director. Authority is hereby provided to expend this appropriation in the capital budget if necessary.

The House does not concur with the provision that the Cabinet Secretary be authorized to transfer appropriations among and between the appropriation units in the Cabinet.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Natural Resources & Environmental Prot.
Agency: Environmental Quality Commission
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	177,300	175,600	175,600	175,600	178,700	178,700	178,700
Restricted Funds	2,600						
Federal Funds	5,200						
TOTAL FUNDS	**185,100**	**175,600**	**175,600**	**175,600**	**178,700**	**178,700**	**178,700**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	148,700	149,600	149,600	149,600	152,100	152,100	152,100
Operating Expenses	36,400	26,000	26,000	26,000	26,600	26,600	26,600
TOTAL EXPENDITURES	**185,100**	**175,600**	**175,600**	**175,600**	**178,700**	**178,700**	**178,700**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	177,300	175,600	175,600	175,600	178,700	178,700	178,700
Restricted Funds	2,600						
Federal Funds	5,200						
TOTAL CURRENT	**185,100**	**175,600**	**175,600**	**175,600**	**178,700**	**178,700**	**178,700**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends reduced funding for existing services and operation in FB 1992-94, and provides $15,000 in FY 1993-94 for publication of the State of Kentucky's Environment Report.

HOUSE REPORT
The House concurs with the Branch Budget with the exception of deleting the funding of $15,000 in FY 1993-94 for publication of the State of Kentucky's Environment Report. The Commission shall be attached to the Cabinet for administrative purposes.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the House and Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

334375EO.XLS
3/25/92
3:55 PM

Governmental Branch: Executive
Cabinet/Function: Natural Resources & Environmental Prot.
Agency: **Ky. State Nature Preserves Commission**
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	394,900	394,100	394,100	394,100	382,500	382,500	382,500
Restricted Funds	278,400	133,300	133,300	133,300	31,000	31,000	31,000
Federal Funds	126,300	170,300	170,300	170,300	169,600	169,600	169,600
TOTAL FUNDS	**799,600**	**697,700**	**697,700**	**697,700**	**583,100**	**583,100**	**583,100**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	522,000	487,800	487,800	487,800	429,400	429,400	429,400
Operating Expenses	139,900	148,800	148,800	148,800	153,700	153,700	153,700
Capital Outlay	57,700						
Construction Outlay	80,000	61,100	61,100	61,100			
TOTAL EXPENDITURES	**799,600**	**697,700**	**697,700**	**697,700**	**583,100**	**583,100**	**583,100**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	394,900	394,100	394,100	394,100	382,500	382,500	382,500
Restricted Funds	278,400	133,300	133,300	133,300	31,000	31,000	31,000
Federal Funds	126,300	140,300	140,300	140,300	134,600	134,600	134,600
TOTAL CURRENT	**799,600**	**667,700**	**667,700**	**667,700**	**548,100**	**548,100**	**548,100**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Federal Funds		30,000	30,000	30,000	35,000	35,000	35,000

V. ADDITIONAL BUDGET ITEMS

Item#	Fund Source		FY 1992-93			FY 1993-94	
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
1/E Inventory of military property. Provide federal fund grant to inventory natural areas at Bluegrass Army Depot.	F	30,000	30,000	30,000	35,000	35,000	35,000
RECAP BY FUND SOURCE	F	**30,000**	**30,000**	**30,000**	**35,000**	**35,000**	**35,000**
GRAND TOTAL ADDITIONAL BUDGET		**30,000**	**30,000**	**30,000**	**35,000**	**35,000**	**35,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services, programs, and operations in FB 1992-94, and provides federal funds of $30,000 in FY 1992-93 and $35,000 in FY 1993-94 to inventory natural areas at the Bluegrass Army Depot.

HOUSE REPORT

The House concurs with the Branch Budget with the exception of providing $100,000 each year from the General Fund in the Capital Budget for the Nature Preserves Land Acquisition Fund.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

CABINET/FUNCTION: NATURAL RESOURCE AND ENVIRONMENTAL PROTECT CAB 03/30/92

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	KENTUCKY NATURE PRESERVES COMMISSION										
1	NATURE PRESERVES ACQUISITION FUND *Reauthorization*	GF				100,000	100,000	100,000	100,000	100,000	100,000
		RF				61,100	61,100	61,100			
AGENCY		**TOTAL**				**161,100**	**161,100**	**161,100**	**100,000**	**100,000**	**100,000**
General Fund						100,000	100,000	100,000	100,000	100,000	100,000
Restricted Fund						61,100	61,100	61,100			
AGENCY		**TOTAL**				**161,100**	**161,100**	**161,100**	**100,000**	**100,000**	**100,000**

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

334377HO.XLS
3/25/92
3:55 PM

Governmental Branch: Executive
Cabinet/Function: Nat. Res. & Env. Prot.

Agency: **Pet. Storage Tank Env. Assur. Fund Comm.**
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
Restricted Funds	9,278,900	9,282,500	9,282,500	9,282,500	9,290,800	9,290,800	9,290,800
II. EXPENDITURES BY CATEGORY							
Personnel Costs	244,700	281,700	281,700	281,700	286,900	286,900	286,900
Operating Expenses	8,997,200	9,000,800	9,000,800	9,000,800	9,003,900	9,003,900	9,003,900
Capital Outlay	37,000						
TOTAL EXPENDITURES	**9,278,900**	**9,282,500**	**9,282,500**	**9,282,500**	**9,290,800**	**9,290,800**	**9,290,800**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
Restricted Funds	9,278,900	9,253,400	9,253,400	9,253,400	9,260,500	9,260,500	9,260,500
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Restricted Funds		29,100	29,100	29,100	30,300	30,300	30,300

V. ADDITIONAL BUDGET ITEMS

Item#	Fund Source		FY 1992-93			FY 1993-94	
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
1/E/Provide restricted agency funds for claims and expand staff by 1 PFT to implement HB 194 (1990 GA).	G	29,100	29,100	29,100	30,300	30,300	30,300
RECAP BY FUND SOURCE	G	**29,100**	**29,100**	**29,100**	**30,300**	**30,300**	**30,300**
GRAND TOTAL ADDITIONAL BUDGET		**29,100**	**29,100**	**29,100**	**30,300**	**30,300**	**30,300**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced personnel funding in FB 1992-94.

HOUSE REPORT

The House concurs with the Branch Budget with the exception of providing for one additional staff and associated operating expenses to restore the staffing level to six positions, and adding restricted funds of $29,100 in FY 1992-93 and $30,300 in FY 1993-94. The Division of Waste Management fund which accrues from the $30 per tank registration fee shall be in a separate account from the Commission's, notwithstanding KRS 224.60-140. The Commission shall provide quarterly reports on its claims activities to the Legislative Research Commission for referral to the appropriate committees.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

334999JO.XLS
3/25/92
4:02 PM

Governmental Branch: Executive **Agency:** **Kentucky River Authority**
Cabinet/Function: Nat. Res. & Env. Prot. **Unit:**

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
Restricted Funds		220,600	220,600	220,600	220,600	220,600	220,600
II. EXPENDITURES BY CATEGORY							
Debt Service		220,600	220,600	220,600	220,600	220,600	220,600
III. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Restricted Funds		220,600	220,600	220,600	220,600	220,600	220,600

IV. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/E/Provide restricted agency funds for debt service to support $2 million bond for capital construction on the locks and dams for water supply purposes.	R	220,600	220,600	220,600	220,600	220,600	220,600
RECAP BY FUND SOURCE	**R**	**220,600**	**220,600**	**220,600**	**220,600**	**220,600**	**220,600**
GRAND TOTAL ADDITIONAL BUDGET		**220,600**	**220,600**	**220,600**	**220,600**	**220,600**	**220,600**

BUDGET MODIFICATION REPORT
BRANCH BUDGET
The Branch Budget recommendation does not fund the staffing or operation of the Kentucky River Authority in FB 1992-94.

HOUSE REPORT
The House concurs with the Branch Budget with the exception of providing the authorization to expend restricted funds from water withdrawal fee receipts of $220,000 each year in the operating budget for the debt service on a $2 million bond issue hereby authorized for FY 1992-93 to construct flashboards and valve systems on the Kentucky River Dams 5-14 for water supply capacity purposes.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the House and Senate.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: NATURAL RESOURCE AND ENVIRONMENTAL PROTECT CAB

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY: KENTUCKY RIVER AUTHORITY										
1 LOCKS & DAMS - CONSTRUCT/PURCHASE	AB				2,000,000	2,000,000	2,000,000			
2 RENOVATION OF LOCKS/DAMS 5 THRU 14	FF				9,500,000	9,500,000	9,500,000			
AGENCY	**TOTAL**				**11,500,000**	**11,500,000**	**11,500,000**			
Federal Fund					9,500,000	9,500,000	9,500,000			
Agency Bond Fund					2,000,000	2,000,000	2,000,000			
AGENCY	**TOTAL**				**11,500,000**	**11,500,000**	**11,500,000**			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: NATURAL RESOURCE AND ENVIRONMENTAL PROTECT CAB

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
CABINET/FUNCTION	**TOTAL**				**33,228,100**	**33,228,100**	**33,228,100**	**19,378,000**	**19,378,000**	**19,378,000**
General Fund					100,000	100,000	100,000	100,000	100,000	100,000
Federal Fund					26,991,000	26,991,000	26,991,000	16,000,000	16,000,000	16,000,000
Restricted Fund					2,959,100	2,959,100	2,959,100	2,600,000	2,600,000	2,600,000
Agency Bond Fund					2,000,000	2,000,000	2,000,000			
Investment Income					1,000,000	1,000,000	1,000,000	678,000	678,000	678,000
Capital Construction Surplus					178,000	178,000	178,000			
CABINET/FUNCTION	**TOTAL**				**33,228,100**	**33,228,100**	**33,228,100**	**19,378,000**	**19,378,000**	**19,378,000**

1992 GENERAL ASSEMBLY

FB 1992-94 STATE/EXECUTIVE BRANCH BUDGET MEMORANDUM

PP. PUBLIC PROTECTION/REGULATION

APRIL 1, 1992

1992 GENERAL ASSEMBLY
FB 1992-94 CONFERENCE ANALYSIS
GENERAL FUND SUMMARY

FUNCTION: Public Protection

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
Office of the Secretary	347,800	295,600	295,600	295,600	304,500	304,500	304,500
Alcoholic Beverage Control	1,780,400	1,513,300	1,513,300	1,513,300	1,558,700	1,558,700	1,558,700
Board of Claims/Crime Victims	556,700	473,200	473,200	473,200	487,400	487,400	487,400
Board of Tax Appeals	242,500	246,000	246,000	246,000	253,400	253,400	253,400
Housing, Building & Construction	3,229,400	2,908,300	2,908,300	2,908,300	2,995,500	2,995,500	2,995,500
State Racing Commission	1,291,900	876,300	876,300	876,300	902,600	902,600	902,600
Harness Racing Commission							
Mines and Minerals	7,988,400	7,170,100	7,240,100	7,240,100	7,373,800	7,443,800	7,443,800
Public Advocacy	10,277,000	10,277,000	10,277,000	10,277,000	10,585,300	10,585,300	10,585,300
Public Serivce Commission	5,465,000	5,353,400	5,353,400	5,739,000	6,156,900	6,156,900	6,467,400
Registry of Election Finance	833,200	1,192,800	1,192,800	1,192,800	1,228,600	1,228,600	1,228,600
Financial Institutions							
Department of Insurance							
Operating Budget Total	32,012,300	30,306,000	30,376,000	30,761,600	31,846,700	31,916,700	32,227,200
Capital Budget							
Grand Total	**32,012,300**	**30,306,000**	**30,376,000**	**30,761,600**	**31,846,700**	**31,916,700**	**32,227,200**

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

337.xls
3/29/92
9:29 PM

Governmental Branch: **Executive** **Agency:** **Cabinet Summary**
Cabinet/Function: **Public Protection** **Unit:**

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	31,711,800	30,306,000	30,376,000	30,761,600	31,846,700	31,916,700	32,227,200
General Fund Special	300,500						
Restricted Funds	44,430,200	53,597,800	51,347,800	54,497,800	57,839,000	54,221,000	57,371,000
Federal Funds	2,099,900	2,208,100	2,208,100	2,208,100	2,287,600	2,287,600	2,287,600
General Fund Continuing	145,000	624,200	624,200	624,200			
TOTAL FUNDS	**78,687,400**	**86,736,100**	**84,556,100**	**88,091,700**	**91,973,300**	**88,425,300**	**91,885,800**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	41,295,500	43,293,700	41,693,700	43,572,800	45,298,700	42,980,700	44,877,300
Operating Expenses	15,919,000	18,640,500	18,610,500	18,717,000	18,652,200	18,622,200	18,786,100
Grants, Loans, Benefits	20,697,000	24,154,100	23,604,100	25,154,100	27,434,800	26,234,800	27,634,800
Debt Service					156,200	156,200	156,200
Capital Outlay	775,900	647,800	647,800	647,800	431,400	431,400	431,400
TOTAL EXPENDITURES	**78,687,400**	**86,736,100**	**84,556,100**	**88,091,700**	**91,973,300**	**88,425,300**	**91,885,800**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	31,711,800	29,267,600	29,267,600	29,267,600	30,780,200	30,780,200	30,780,200
Restricted Funds	44,430,200	40,505,500	40,505,500	40,505,500	41,642,400	41,642,400	41,642,400
Federal Funds	2,099,900	2,208,100	2,208,100	2,208,100	2,287,600	2,287,600	2,287,600
General Fund Continuing	145,000	624,200	624,200	624,200			
TOTAL CURRENT	**78,386,900**	**72,605,400**	**72,605,400**	**72,605,400**	**74,710,200**	**74,710,200**	**74,710,200**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		1,038,400	1,108,400	1,494,000	1,066,500	1,136,500	1,447,000
General Fund Special	300,500						
Restricted Funds		13,092,300	10,842,300	13,992,300	16,196,600	12,578,600	15,728,600
TOTAL ADDITIONAL	**300,500**	**14,130,700**	**11,950,700**	**15,486,300**	**17,263,100**	**13,715,100**	**17,175,600**

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

337675AO.XLS
3/28/92
9:41 AM

Governmental Branch: Executive **Agency:** **Office of the Secretary**
Cabinet/Function: Public Protection & Regulation **Unit:**

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	347,800	295,600	295,600	295,600	304,500	304,500	304,500
II. EXPENDITURES BY CATEGORY							
Personnel Costs	304,400	266,800	266,800	266,800	275,700	275,700	275,700
Operating Expenses	43,400	28,800	28,800	28,800	28,800	28,800	28,800
TOTAL EXPENDITURES	**347,800**	**295,600**	**295,600**	**295,600**	**304,500**	**304,500**	**304,500**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	347,800	295,600	295,600	295,600	304,500	304,500	304,500

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends reduced funding for existing services.

HOUSE REPORT
The House concurs with the Branch Budget.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the Senate and the House.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

337680BO.XLS
3/28/92
9:39 AM

Governmental Branch: Executive
Cabinet: Public Protection & Regulation
Agency: Alcoholic Beverage Control
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	1,780,400	1,513,300	1,513,300	1,513,300	1,558,700	1,558,700	1,558,700
Restricted Funds	3,500	391,500	391,500	391,500	391,500	391,500	391,500
TOTAL FUNDS	**1,783,900**	**1,904,800**	**1,904,800**	**1,904,800**	**1,950,200**	**1,950,200**	**1,950,200**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	1,544,000	1,575,900	1,575,900	1,575,900	1,623,200	1,623,200	1,623,200
Operating Expenses	233,000	328,900	328,900	328,900	327,000	327,000	327,000
Capital Outlay	6,900						
TOTAL EXPENDITURES	**1,783,900**	**1,904,800**	**1,904,800**	**1,904,800**	**1,950,200**	**1,950,200**	**1,950,200**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	1,780,400	1,513,300	1,513,300	1,513,300	1,558,700	1,558,700	1,558,700
Restricted Funds	3,500	391,500	391,500	391,500	391,500	391,500	391,500
TOTAL CURRENT	**1,783,900**	**1,904,800**	**1,904,800**	**1,904,800**	**1,950,200**	**1,950,200**	**1,950,200**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends reduced General Fund appropriations for the biennium but increases the overall appropriations level by recommending the repeal of KRS 243.080 and adding new language which will allow the Department to receive a portion of the fee as Restricted Funds.

HOUSE REPORT
The House concurs with the Branch Budget recommendation.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the Senate and the House.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

337175RO.XLS
3/28/92
9:44 AM

Governmental Branch: Executive **Agency:** **Board of Claims/Crime Victims Comp. Board**
Cabinet/Function: Public Protection & Regulation **Unit:**

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	556,700	473,200	473,200	473,200	487,400	487,400	487,400
Restricted Funds	841,100	1,125,300	1,125,300	1,125,300	1,162,600	1,162,600	1,162,600
Federal Funds	318,300	327,800	327,800	327,800	337,600	337,600	337,600
TOTAL FUNDS	**1,716,100**	**1,926,300**	**1,926,300**	**1,926,300**	**1,987,600**	**1,987,600**	**1,987,600**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	494,500	565,400	565,400	565,400	594,100	594,100	594,100
Operating Expenses	1,212,900	1,360,900	1,360,900	1,360,900	1,393,500	1,393,500	1,393,500
Capital Outlay	8,700						
TOTAL EXPENDITURES	**1,716,100**	**1,926,300**	**1,926,300**	**1,926,300**	**1,987,600**	**1,987,600**	**1,987,600**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	556,700	473,200	473,200	473,200	487,400	487,400	487,400
Restricted Funds	841,100	1,125,300	1,125,300	1,125,300	1,162,600	1,162,600	1,162,600
Federal Funds	318,300	327,800	327,800	327,800	337,600	337,600	337,600
TOTAL CURRENT	**1,716,100**	**1,926,300**	**1,926,300**	**1,926,300**	**1,987,600**	**1,987,600**	**1,987,600**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends a reduced General Fund level of appropriations. but provides for an overall funding increase by utilizing existing Restricted Fund carryforwards. There are no new or expanded programs recommended.

HOUSE REPORT
The House concurs with the Branch Budget.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the Senate and the House.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

337300MO.XLS
3/28/92
9:43 AM

Governmental Branch: Executive
Cabinet/Function: Public Protection & Regulation
Agency: Kentucky Board of Tax Appeals
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	242,500	246,000	246,000	246,000	253,400	253,400	253,400
II. EXPENDITURES BY CATEGORY							
Personnel Costs	212,900	216,900	216,900	216,900	224,200	224,200	224,200
Operating Expenses	29,600	29,100	29,100	29,100	29,200	29,200	29,200
TOTAL EXPENDITURES	**242,500**	**246,000**	**246,000**	**246,000**	**253,400**	**253,400**	**253,400**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	242,500	246,000	246,000	246,000	253,400	253,400	253,400

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends continuation of existing services with limited increases in funding levels each year of the biennium.

HOUSE REPORT
The House concurs with the Branch Budget.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the Senate and the House.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

337690PO.XLS
3/27/92
4:43 PM

Governmental Branch: Executive
Cabinet/Function: Public Protection and Regulation
Agency: Housing, Buildings and Construction
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	3,229,400	2,908,300	2,908,300	2,908,300	2,995,500	2,995,500	2,995,500
Restricted Funds	19,384,500	28,008,800	25,758,800	28,908,800	27,953,600	24,335,600	27,485,600
Federal Funds	4,000	4,000	4,000	4,000	4,000	4,000	4,000
TOTAL FUNDS	**22,617,900**	**30,921,100**	**28,671,100**	**31,821,100**	**30,953,100**	**27,335,100**	**30,485,100**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	7,545,600	9,877,700	8,277,700	9,877,700	10,993,700	8,675,700	10,325,700
Operating Expenses	5,435,100	7,945,300	7,845,300	7,845,300	7,587,200	7,487,200	7,587,200
Grants, Loans, Benefits	9,600,700	13,068,600	12,518,600	14,068,600	12,372,200	11,172,200	12,572,200
Capital Outlay	36,500	29,500	29,500	29,500			
TOTAL EXPENDITURES	**22,617,900**	**30,921,100**	**28,671,100**	**31,821,100**	**30,953,100**	**27,335,100**	**30,485,100**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	3,229,400	2,908,300	2,908,300	2,908,300	2,995,500	2,995,500	2,995,500
Restricted Funds	19,384,500	17,416,500	17,416,500	17,416,500	18,007,000	18,007,000	18,007,000
Federal Funds	4,000	4,000	4,000	4,000	4,000	4,000	4,000
TOTAL CURRENT	**22,617,900**	**20,328,800**	**20,328,800**	**20,328,800**	**21,006,500**	**21,006,500**	**21,006,500**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Restricted Funds		10,592,300	8,342,300	11,492,300	9,946,600	6,328,600	9,478,600

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	**Fund Source /Subtotal**	FY 1992-93 **House**	FY 1992-93 **Senate**	FY 1992-93 **Conference**	FY 1993-94 **House**	FY 1993-94 **Senate**	FY 1993-94 **Conference**
17/E Hire Fire Dept. Auditor in the Fire Department Aid Program to verify fire dept. records.	R	37,500	37,500	37,500	39,200	39,200	39,200

Item#	Fund Source		FY 1992-93			FY 1993-94	
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
19/E Provide Hepatitis B immunizations for 14,400 firefighters statewide and 200 new firefighters each year.	R	1,612,800	1,612,800	1,612,800	45,000	45,000	45,000
20/E Provide training grants to local fire departments .	R	50,000			50,000		
21/E Provide additional funding for construction or upgrade of fire training centers.	R	100,000	100,000		100,000	100,000	
23/E Finance equipment purchases for low income fire depts. at low interest rates with 7 to 10 years allowed for repayment.	R	500,000		1,000,000	500,000		1,000,000
24/E Provide additional funding for pension reimbursement for incentive pay received by firefighters.	R	592,000	592,000	592,000	724,400	644,400	644,400
25/E Fund transfer	R	6,000,000	6,000,000	6,000,000	5,500,000	5,500,000	5,500,000
25 Additional incentive pay	R				638,000		
26 Additional Workers' Comp.	R	1,600,000		1,600,000	1,600,000		1,600,000
27 Additional Operating	R	100,000			100,000		
28 Volunteer Aid	R			650,000	650,000		650,000
RECAP BY FUND SOURCE	**R**	**10,592,300**	**8,342,300**	**11,492,300**	**9,946,600**	**6,328,600**	**9,478,600**
GRAND TOTAL ADDITIONAL BUDGET		**10,592,300**	**8,342,300**	**11,492,300**	**9,946,600**	**6,328,600**	**9,478,600**

BRANCH BUDGET
The Branch Budget recommends reduced General Fund expenditures for existing services and increased Restricted fund spending to offset General Fund reductions. In addition, the Branch Budget recommends Restricted funds of $37,500 in FY 1992-93 and $39,200 in FY 1993-94 for a fire department auditor and related expenses. Additional Restricted funds of $1,612,800 in FY 1992-93 and $45,000 are recommended for Hepatitis B immunizations for all firefighters in the state. Additional Restricted dollars of $100,000 each year of the biennium are recommended for Training Centers. This is in addition to the current statutory provision of $200,000 each year. Additional Restricted funds of $592,000 in FY 1992-93 and $644,400 are recommended for additional pension benefits for firefighter incentive pay. The Branch Budget recommends transfers to the General Fund of $6,000,000 in FY 1992-93 and $5,500,000 in FY 1993-94. The Branch Budget also recommends increased plumbing and boiler fees.

HOUSE REPORT

The House concurs with the Branch Budget recommendation, with the following exceptions: Authorize additional Restricted funds of $2,250,000 in FY 1992-93 and$3,618,000 for the Professional Firefighter Program and the Volunteer Fire Department Aid program pursuant to enabling legislation. (HB 365) The funding is for additional items as follows:

	1992-93	1993-94
Professional Firefighters Incentive Pay		$638,000
Workers' Comp. Volunteer Firefighter:	$1,600,000	$1,600,000
Volunteer Fire Dept. Aid		$650,000
Pension Reimbursement for additional incentive pay		$80,000
Revolving Loan Fund	$500,000	$500,000
Training Enhancement	$50,000	$50,000
Additional Operating	$100,000	$100,000
TOTAL	**$2,250,000**	**$3,618,000**

Plumbing and boiler fees are increased as follows:

	Old	New
Boiler Fees	$5	$15
Plumbing Permits	$15	$23
Master Plumber License	$150	$250
Journeyman Plumber License	$30	$40
Master Plumber Examination	$100	$150
Journeyman Plumber Examination	$25	$50

SENATE REPORT

The Senate concurs with the House with the following exception: Restricted funds of $2,250,000 in FY 1992-93 and $3,618,000 in FY 1993-94 are not authorized for the expansion of the Professional Firefighters and the Volunteer Fire Department programs.

The insurance surcharge rate established by KRS 136.392 shall be adjusted to a rate sufficient for the enacted budget and shall include restricted fund carry forwards from fiscal years 1992, 1993 and 1994. Appropriations budgeted for transfer to the General Fund shall also be included in the rate calculations.

CONFERENCE REPORT

The Conference concurs with the Senate and the House with the following exception: The following additional restricted funds are authorized for Volunteer Fire Departments pursuant to HB 365 (SCS):

Vol. Fire Dept. Aid 650x$1000	650,000	650,000
Hepatitis B	1,612,000	45,000
Revolving Loan Fund *	1,000,000	1,000,000
Workers' Compensation	1,600,000	1,600,000
TOTAL	**4,862,000**	**3,295,000**

* *Each* year through 2002

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

337390GO.XLS
3/28/92
9:42 AM

Governmental Branch: Executive
Cabinet/Function: Public Protection & Regulation
Agency: State Racing Commission
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	1,291,900	876,300	876,300	876,300	902,600	902,600	902,600
Restricted Funds	8,804,000	8,748,200	8,748,200	8,748,200	12,667,700	12,667,700	12,667,700
TOTAL FUNDS	**10,095,900**	**9,624,500**	**9,624,500**	**9,624,500**	**13,570,300**	**13,570,300**	**13,570,300**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	1,974,500	1,601,800	1,601,800	1,601,800	1,649,000	1,649,000	1,649,000
Operating Expenses	1,020,900	1,026,000	1,026,000	1,026,000	1,049,600	1,049,600	1,049,600
Grants, Loans, Benefits	7,097,500	6,996,700	6,996,700	6,996,700	10,871,700	10,871,700	10,871,700
Capital Outlay	3,000						
TOTAL EXPENDITURES	**10,095,900**	**9,624,500**	**9,624,500**	**9,624,500**	**13,570,300**	**13,570,300**	**13,570,300**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	1,291,900	876,300	876,300	876,300	902,600	902,600	902,600
Restricted Funds	8,804,000	8,748,200	8,748,200	8,748,200	8,917,700	8,917,700	8,917,700
TOTAL CURRENT	**10,095,900**	**9,624,500**	**9,624,500**	**9,624,500**	**9,820,300**	**9,820,300**	**9,820,300**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Restricted Funds					3,750,000	3,750,000	3,750,000

V. ADDITIONAL BUDGET ITEMS

Item#	Fund Source		FY 1992-93			FY 1993-94	
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
Provide restricted funds for the Breeders' Fund Award	R				3,750,000	3,750,000	3,750,000
RECAP BY FUND SOURCE	R				**3,750,000**	**3,750,000**	**3,750,000**
GRAND TOTAL ADDITIONAL BUDGET					**3,750,000**	**3,750,000**	**3,750,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends combining the State Racing Commission and the Harness Racing Commission. Branch Budget numbers reflect a $358,000 reduction which represents reduced personnel resulting from the combination. A $3,750,000 recommendation of General Fund dollars in FY 1993-94 is for the implementation of the Breeders' Award Fund program.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the following exceptions: Restricted Funds in the amount of $3,750,000 are appropriated in FY 1993-94 for the Breeders' Fund Award fund established pursuant to enabling legislation. (HB 749)

In the event Restricted Funds in the amount of $3,750,000 are not generated by the mechanisms provided, the Secretary of the Finance and Administration Cabinet is authorized to transfer from the General Fund surplus account on a dollar-for-dollar basis amounts necessary to provide a total Breeders' Award fund program level of $3,750,000 in July 1993.

In authorizing such a certification for the use of General Fund monies, the General Assembly requires that the Restricted Funds accruing to the Breeders' Award Fund as of July 1, 1993, shall be expended before any amount of General Fund dollars are obligated.

If the total Restricted Funds generated by July 1, 1993 exceed the appropriation authorized, the Kentucky Racing Commission may expend additional funds for the Breeders' Awards upon approval from the Secretary of the Finance and Administration Cabinet.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the Senate and the House.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

337705EO.XLS
3/26/92
9:37 AM

Governmental Branch: Executive
Cabinet/Function: Public Protection & Regulation
Agency: Department of Mines and Minerals
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	7,988,400	7,170,100	7,240,100	7,240,100	7,373,800	7,443,800	7,443,800
Restricted Funds	897,300	1,011,100	1,011,100	1,011,100	978,000	978,000	978,000
Federal Funds	672,500	705,300	705,300	705,300	720,600	720,600	720,600
TOTAL FUNDS	**9,558,200**	**8,886,500**	**8,956,500**	**8,956,500**	**9,072,400**	**9,142,400**	**9,142,400**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	8,222,400	7,546,900	7,546,900	7,546,900	7,708,300	7,708,300	7,708,300
Operating Expenses	1,073,700	897,200	967,200	967,200	932,700	1,002,700	1,002,700
Grants, Loans, Benefits	20,000	20,000	20,000	20,000			
Capital Outlay	242,100	422,400	422,400	422,400	431,400	431,400	431,400
TOTAL EXPENDITURES	**9,558,200**	**8,886,500**	**8,956,500**	**8,956,500**	**9,072,400**	**9,142,400**	**9,142,400**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	7,988,400	6,790,100	6,790,100	6,790,100	6,993,800	6,993,800	6,993,800
Restricted Funds	897,300	1,011,100	1,011,100	1,011,100	978,000	978,000	978,000
Federal Funds	672,500	705,300	705,300	705,300	720,600	720,600	720,600
TOTAL CURRENT	**9,558,200**	**8,506,500**	**8,506,500**	**8,506,500**	**8,692,400**	**8,692,400**	**8,692,400**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		380,000	450,000	450,000	380,000	450,000	450,000

V. ADDITIONAL BUDGET ITEMS

Item#	**Fund Source**		**FY 1992-93**			**FY 1993-94**	
/Type Service Unit/Description	**/Subtotal**	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
1/ Provide additional operating funds resulting from reduction of proposed fees.	G	380,000	380,000	380,000	380,000	380,000	380,000
3/ Provide additional operating funds for utilities, rent and janitorial.	G		70,000	70,000		70,000	70,000
RECAP BY FUND SOURCE	G	**380,000**	**450,000**	**450,000**	**380,000**	**450,000**	**450,000**
GRAND TOTAL ADDITIONAL BUDGET		**380,000**	**450,000**	**450,000**	**380,000**	**450,000**	**450,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced General Fund spending for existing services and programs, and increases Restricted funds predicated on the revision of fees pursuant to KRS Chapters 351 and 353.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the following exception: Restricted Funds are reduced in the the amount of $380,000 each year of the biennium resulting from changes in proposed fee increases. General Funds dollars are increased increased $380,000 each year of the biennium to replace restricted funds, and will be used for general operating expenses. The following table reflects new fee rates:

	OLD	NEW
Foreman/Instructor Exam	$25	$50
Blasting		
License Renewal	$10	$20
License Exam Fee	$20	$40
Initial License Fee	$5	$25
Reciprocal Fee (New-minimal receipts		$50
Oil /Gas		
Drill Permit Fee	$100	$200
Permit Transfer Fee (New)		$25
Mine License Fee		
Basic Fee (surface & underground)	$125	$300
Additional Section (Underground)	$25	$100
Additional 100K Tons (Surface)	$25	$100

SENATE REPORT

The Senate concurs with the House with the following exception: Additional General Fund dollars of $70,000 are provided each year of the biennium for janitorial services and utilities.

CONFERENCE REPORT

The Conference concurs with the Senate and the House.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

337515BO.XLS
3/28/92
9:36 AM

Governmental Branch: Executive
Cabinet: Public Protection & Regulation
Agency: **Department of Public Advocacy**
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	10,277,000	10,277,000	10,277,000	10,277,000	10,585,300	10,585,300	10,585,300
Restricted Funds	543,600	525,400	525,400	525,400	537,700	537,700	537,700
Federal Funds	985,100	1,051,000	1,051,000	1,051,000	1,105,400	1,105,400	1,105,400
TOTAL FUNDS	**11,805,700**	**11,853,400**	**11,853,400**	**11,853,400**	**12,228,400**	**12,228,400**	**12,228,400**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	6,320,400	6,444,000	6,444,000	6,444,000	6,533,100	6,533,100	6,533,100
Operating Expenses	1,345,400	1,188,100	1,188,100	1,188,100	1,348,200	1,348,200	1,348,200
Grants, Loans, Benefits	3,978,800	4,068,800	4,068,800	4,068,800	4,190,900	4,190,900	4,190,900
Debt Service					156,200	156,200	156,200
Capital Outlay	161,100	152,500	152,500	152,500			
TOTAL EXPENDITURES	**11,805,700**	**11,853,400**	**11,853,400**	**11,853,400**	**12,228,400**	**12,228,400**	**12,228,400**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	10,277,000	10,277,000	10,277,000	10,277,000	10,585,300	10,585,300	10,585,300
Restricted Funds	543,600	525,400	525,400	525,400	537,700	537,700	537,700
Federal Funds	985,100	1,051,000	1,051,000	1,051,000	1,105,400	1,105,400	1,105,400
TOTAL CURRENT	**11,805,700**	**11,853,400**	**11,853,400**	**11,853,400**	**12,228,400**	**12,228,400**	**12,228,400**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends straight-line funding for FY 1992-93 and a 3% funding increase for FY 1993-94.

HOUSE REPORT
The House concurs with the Branch Budget.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the Senate and the House.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

337385FO.XLS
3/28/92
9:35 AM

Governmental Branch: Executive
Cabinet/Function: Public Protection & Regulation
Agency: **Public Service Commission**
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	5,465,000	5,353,400	5,353,400	5,739,000	6,156,900	6,156,900	6,467,400
Restricted Funds	46,600	38,600	38,600	38,600	22,500	22,500	22,500
Federal Funds	120,000	120,000	120,000	120,000	120,000	120,000	120,000
General Fund Continuing	145,000	624,200	624,200	624,200			
TOTAL FUNDS	**5,776,600**	**6,136,200**	**6,136,200**	**6,521,800**	**6,299,400**	**6,299,400**	**6,609,900**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	4,875,400	5,220,600	5,220,600	5,499,700	5,380,400	5,380,400	5,627,000
Operating Expenses	895,400	915,600	915,600	1,022,100	919,000	919,000	982,900
Capital Outlay	5,800						
TOTAL EXPENDITURES	**5,776,600**	**6,136,200**	**6,136,200**	**6,521,800**	**6,299,400**	**6,299,400**	**6,609,900**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	5,465,000	5,353,400	5,353,400	5,353,400	6,156,900	6,156,900	6,156,900
Restricted Funds	46,600	38,600	38,600	38,600	22,500	22,500	22,500
Federal Funds	120,000	120,000	120,000	120,000	120,000	120,000	120,000
General Fund Continuing	145,000	624,200	624,200	624,200			
TOTAL CURRENT	**5,776,600**	**6,136,200**	**6,136,200**	**6,136,200**	**6,299,400**	**6,299,400**	**6,299,400**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund				385,600			310,500

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/E Provide personnel and operating funds for 7 permanent full-time positions to implement the provisions of Senate Bill 335.	G			385,600			310,500
RECAP BY FUND SOURCE	G			**385,600**			**310,500**
GRAND TOTAL ADDITIONAL BUDGET				**385,600**			**310,500**

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94.

HOUSE REPORT

The House concurs with the Branch Budget with the following exception: The Commission is directed to undertake, utilizing existing resources, a water quality study of the Kentucky River to develop a database characterizing the water quality, conditions, problems, programs and solutions and a financial study to determine the feasibility and appropriate fee structure for proposed capital construction projects on the Kentucky River. These studies are to be done in cooperation with the Kentucky River Authority. The Commission is authorized to expend $200,000 in the first year and $100,000 in the second year for these studies.

SENATE REPORT

The Senate concurs with the Branch.

CONFERENCE REPORT

The Conference concurs with the Senate and the House with the following exceptions: (1) The Public Service Commission shall cooperate with the Kentucky River Authority in conducting a water quality study of the Kentucky River to develop a database characterizing the water quality conditions, problems, programs and solutions and a financial study to determine the feasibility and appropriate fee structure for proposed capital construction projects on the Kentucky River. (2) Additional General Fund dollars of $358,600 in FY 1992-93 and $310,500 in FY 1993-94 are provided for seven permanent full-time positions to implement the provisions of Senate Bill 335.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

337065NO.XLS
3/28/92
9:44 AM

Governmental Branch: Executive **Agency:** **Registry of Election Finance**
Cabinet/Function: Public Protection & Regulation **Unit:**

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	532,700	1,192,800	1,192,800	1,192,800	1,228,600	1,228,600	1,228,600
General Fund Special	300,500						
TOTAL FUNDS	**833,200**	**1,192,800**	**1,192,800**	**1,192,800**	**1,228,600**	**1,228,600**	**1,228,600**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	665,400	749,900	749,900	749,900	772,400	772,400	772,400
Operating Expenses	148,700	402,900	402,900	402,900	456,200	456,200	456,200
Capital Outlay	19,100	40,000	40,000	40,000			
TOTAL EXPENDITURES	**833,200**	**1,192,800**	**1,192,800**	**1,192,800**	**1,228,600**	**1,228,600**	**1,228,600**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	532,700	534,400	534,400	534,400	542,100	542,100	542,100
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		658,400	658,400	658,400	686,500	686,500	686,500
General Fund Special	300,500						
TOTAL ADDITIONAL	**300,500**	**658,400**	**658,400**	**658,400**	**686,500**	**686,500**	**686,500**

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	**Fund Source /Subtotal**	**FY 1992-93 House**	**FY 1992-93 Senate**	**FY 1992-93 Conference**	**FY 1993-94 House**	**FY 1993-94 Senate**	**FY 1993-94 Conference**
1/E Provide funds for 13 PFT positions (1 Admin. Sp., 1 Super., 4 Sec., 3Auditors, 1 Comp. Anal., 2 Investigators, 1 G. Counsel) & related expenses to effectively insure fair elections.	G	393,000	393,000	393,000	362,600	362,600	362,600
2/E Provide funds for computer services for updated computer systems purchased in 1990-92.	G	265,400	265,400	265,400	323,900	323,900	323,900
RECAP BY FUND SOURCE	G	**658,400**	**658,400**	**658,400**	**686,500**	**686,500**	**686,500**
GRAND TOTAL ADDITIONAL BUDGET		**658,400**	**658.400**	**658,400**	**686,500**	**686,500**	**686,500**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends increased funding for the current year (FY 1991-92) and increased funding for each year of FB 1992-94. Funds of $300,500 in FY 1991-92, $393,000 in Fy 1992-92 and $362,600 in FY 1993-94 are recommended for additional staffing and related expenses so the Registry can assure fair elections.

HOUSE REPORT

The House concurs with the Branch Budget recommendation.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the Senate and the House.

BR_15

CABINET\AGENCY REQUEST
CURRENT YEAR BUDGET REQUESTS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

337065NO.XLS
3/28/92
9:47 AM

Governmental Branch: Executive
Cabinet/Function: Public Protection & Regulation
Agency: **Registry of Election Finance**
Unit:

	Request	Branch	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:					
FUND SOURCE					
General Fund	531,400	532,700	532,700	532,700	532,700
General Fund Special	58,000	300,500	300,500	300,500	300,500
TOTAL FUNDS	**589,400**	**833,200**	**833,200**	**833,200**	**833,200**
II. EXPENDITURES BY CATEGORY					
Personnel Costs	363,600	665,400	665,400	665,400	665,400
Operating Expenses	206,700	148,700	148,700	148,700	148,700
Capital Outlay	19,100	19,100	19,100	19,100	19,100
TOTAL EXPENDITURES	**589,400**	**833,200**	**833,200**	**833,200**	**833,200**
III. CURRENT SERVICES BUDGET					
FUND SOURCE					
General Fund	531,400	532,700	532,700	532,700	532,700
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE					
FUND SOURCE					
General Fund Special	58,000	300,500	300,500	300,500	300,500

V. ADDITIONAL BUDGET ITEMS/CURRENT YEAR

Item# /Type Service Unit/Description	Fund Source /Subtotal	Request	Branch Budget	House	Senate	Conference
1/E Provide funds for unanticipated computer programming services.	GS	58,000				
2/ Additional personnel funds.	GS		300,500	300,500	300,500	300,500
GRAND TOTAL		**58,000**	**300,500**	**300,500**	**300,500**	**300,500**

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

337685CO.XLS
3/28/92
9:24 AM

Governmental Branch: Executive
Cabinet/Function: Public Protection & Regulation
Agency: Financial Institutions
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
Restricted Funds	5,619,800	5,077,900	5,077,900	5,077,900	5,225,800	5,225,800	5,225,800
II. EXPENDITURES BY CATEGORY							
Personnel Costs	4,062,400	3,975,000	3,975,000	3,975,000	4,095,000	4,095,000	4,095,000
Operating Expenses	1,353,500	1,102,900	1,102,900	1,102,900	1,130,800	1,130,800	1,130,800
Capital Outlay	203,900						
TOTAL EXPENDITURES	**5,619,800**	**5,077,900**	**5,077,900**	**5,077,900**	**5,225,800**	**5,225,800**	**5,225,800**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
Restricted Funds	5,619,800	4,827,900	4,827,900	4,827,900	4,975,800	4,975,800	4,975,800
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Restricted Funds		250,000	250,000	250,000	250,000	250,000	250,000

V. ADDITIONAL BUDGET ITEMS

		FY 1992-93			FY 1993-94		
Item# /Type Service Unit/Description	**Fund Source /Subtotal**	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
1/Fund transfer	R	250,000	250,000	250,000	250,000	250,000	250,000
RECAP BY FUND SOURCE	**R**	**250,000**	**250,000**	**250,000**	**250,000**	**250,000**	**250,000**
GRAND TOTAL ADDITIONAL BUDGET		**250,000**	**250,000**	**250,000**	**250,000**	**250,000**	**250,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends continuation of existing services and programs, and recommends a fund transfer of $250,000 each fiscal year of the biennium.

HOUSE REPORT
The House concurs with the Branch recommendation.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the Senate and the House.

BR_60

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3/28/92
9:38 AM

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive
Cabinet/Function: Public Protection & Regulation
Agency: Department of Insurance
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
Restricted Funds	8,289,800	8,671,000	8,671,000	8,671,000	8,899,600	8,899,600	8,899,600
II. EXPENDITURES BY CATEGORY							
Personnel Costs	5,073,600	5,252,800	5,252,800	5,252,800	5,449,600	5,449,600	5,449,600
Operating Expenses	3,127,400	3,414,800	3,414,800	3,414,800	3,450,000	3,450,000	3,450,000
Capital Outlay	88,800	3,400	3,400	3,400			
TOTAL EXPENDITURES	**8,289,800**	**8,671,000**	**8,671,000**	**8,671,000**	**8,899,600**	**8,899,600**	**8,899,600**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
Restricted Funds	8,289,800	6,421,000	6,421,000	6,421,000	6,649,600	6,649,600	6,649,600
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Restricted Funds		2,250,000	2,250,000	2,250,000	2,250,000	2,250,000	2,250,000

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	House	FY 1992-93 Senate	Conference	House	FY 1993-94 Senate	Conference
1/ Fund Transfer	R	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
2/ Fund Transfer	R	250,000	250,000	250,000	250,000	250,000	250,000
RECAP BY FUND SOURCE	**R**	**2,250,000**	**2,250,000**	**2,250,000**	**2,250,000**	**2,250,000**	**2,250,000**
GRAND TOTAL ADDITIONAL BUDGET		**2,250,000**	**2,250,000**	**2,250,000**	**2,250,000**	**2,250,000**	**2,250,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends the continuation of existing services and programs, and recommends fund transfers to the General Fund of $2,000,000 each year of the biennium.

HOUSE REPORT
The House concurs with the Branch Budget recommendation with the following exception: Additional Restricted Funds of $250,000 each year of the biennium are transferred to the General Fund surplus.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the Senate and the House.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: **PUBLIC PROTECTION AND REGULATION CABINET**

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY: DEPT OF INSURANCE										
1 UPGRADE COMPUTING SYSTEM	RF				120,900	120,900	120,900	123,000	123,000	123,000
AGENCY	**TOTAL**				**120,900**	**120,900**	**120,900**	**123,000**	**123,000**	**123,000**
Restricted Fund					120,900	120,900	120,900	123,000	123,000	123,000
AGENCY	**TOTAL**				**120,900**	**120,900**	**120,900**	**123,000**	**123,000**	**123,000**

1992 GENERAL ASSEMBLY

FB 1992-94 STATE/EXECUTIVE BRANCH BUDGET MEMORANDUM

RE. REVENUE

APRIL 1, 1992

1992 GENERAL ASSEMBLY
FB 1992-94 CONFERENCE ANALYSIS
GENERAL FUND SUMMARY

FUNCTION: **Revenue**

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
Administrative Services	15,639,700	15,469,400	15,469,400	15,469,400	16,097,800	16,097,800	16,097,800
Property Valuation Administration	18,661,200	17,161,200	16,161,200	16,161,200	16,615,900	15,615,900	15,615,900
Tax Compliance	20,533,900	19,047,100	19,047,100	19,047,100	20,517,400	20,517,400	20,517,400
Property Taxation	6,261,800	5,428,100	5,428,100	5,428,100	5,557,700	5,557,700	5,557,700
Cabinet Summary	61,096,600	57,105,800	56,105,800	56,105,800	58,788,800	57,788,800	57,788,800
Workers' Comp. Funding Comm.							
Operating Budget Total	61,096,600	57,105,800	56,105,800	56,105,800	58,788,800	57,788,800	57,788,800
Capital Budget							
Grand Total	**61,096,600**	**57,105,800**	**56,105,800**	**56,105,800**	**58,788,800**	**57,788,800**	**57,788,800**

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/29/92
9:24 PM

Governmental Branch: Executive **Agency:** **Function Summary**
Cabinet/Function: Revenue **Unit:**

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	59,971,100	57,105,800	56,105,800	56,105,800	58,788,800	57,788,800	57,788,800
General Fund Special	1,125,500						
Restricted Funds	122,806,400	137,812,300	138,812,300	138,812,300	147,578,300	148,578,300	148,578,300
Federal Funds	166,500						
Road Fund		1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
General Fund Continuing	1,289,100						
TOTAL FUNDS	**185,358,600**	**196,168,100**	**196,168,100**	**196,168,100**	**207,617,100**	**207,617,100**	**207,617,100**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	50,627,300	48,269,400	48,269,400	48,269,400	48,706,500	48,706,500	48,706,500
Operating Expenses	134,354,700	147,048,700	147,048,700	147,048,700	158,160,600	158,160,600	158,160,600
Capital Outlay	376,600	850,000	850,000	850,000	750,000	750,000	750,000
TOTAL EXPENDITURES	**185,358,600**	**196,168,100**	**196,168,100**	**196,168,100**	**207,617,100**	**207,617,100**	**207,617,100**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	59,971,100	56,105,800	56,105,800	56,105,800	57,788,800	57,788,800	57,788,800
Restricted Funds	122,806,400	125,288,000	126,288,000	126,288,000	124,150,100	125,150,100	125,150,100
Federal Funds	166,500						
Road Fund		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
General Fund Continuing	1,289,100						
TOTAL CURRENT	**184,233,100**	**182,393,800**	**183,393,800**	**183,393,800**	**182,938,900**	**183,938,900**	**183,938,900**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		1,000,000			1,000,000		
General Fund Special	1,125,500						
Restricted Funds		12,524,300	12,524,300	12,524,300	23,428,200	23,428,200	23,428,200
Road Fund		250,000	250,000	250,000	250,000	250,000	250,000
TOTAL ADDITIONAL	**1,125,500**	**13,774,300**	**12,774,300**	**12,774,300**	**24,678,200**	**23,678,200**	**23,678,200**

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/29/92
9:27 PM

Governmental Branch: Executive
Cabinet/Function: Revenue
Agency: Cabinet Summary
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	59,971,100	57,105,800	56,105,800	56,105,800	58,788,800	57,788,800	57,788,800
General Fund Special	1,125,500						
Restricted Funds	3,449,300	4,030,100	5,030,100	5,030,100	2,516,600	3,516,600	3,516,600
Federal Funds	166,500						
Road Fund		1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
General Fund Continuing	1,289,100						
TOTAL FUNDS	**66,001,500**	**62,385,900**	**62,385,900**	**62,385,900**	**62,555,400**	**62,555,400**	**62,555,400**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	50,184,700	47,817,500	47,817,500	47,817,500	48,242,900	48,242,900	48,242,900
Operating Expenses	15,445,200	13,718,400	13,718,400	13,718,400	13,562,500	13,562,500	13,562,500
Capital Outlay	371,600	850,000	850,000	850,000	750,000	750,000	750,000
TOTAL EXPENDITURES	**66,001,500**	**62,385,900**	**62,385,900**	**62,385,900**	**62,555,400**	**62,555,400**	**62,555,400**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	59,971,100	56,105,800	56,105,800	56,105,800	57,788,800	57,788,800	57,788,800
Restricted Funds	3,449,300	4,030,100	5,030,100	5,030,100	2,516,600	3,516,600	3,516,600
Federal Funds	166,500						
Road Fund		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
General Fund Continuing	1,289,100						
TOTAL CURRENT	**64,876,000**	**61,135,900**	**62,135,900**	**62,135,900**	**61,305,400**	**62,305,400**	**62,305,400**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		1,000,000			1,000,000		
General Fund Special	1,125,500						
Road Fund		250,000	250,000	250,000	250,000	250,000	250,000
TOTAL ADDITIONAL	**1,125,500**	**1,250,000**	**250,000**	**250,000**	**1,250,000**	**250,000**	**250,000**

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

330107RA.XLS
3/29/92
9:27 PM

Governmental Branch: Executive
Cabinet/Function: Revenue
Agency: Office of the Secretary/Administrative Services
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	15,489,700	15,469,400	15,469,400	15,469,400	16,097,800	16,097,800	16,097,800
General Fund Special	150,000						
Restricted Funds	55,600	122,500	122,500	122,500	55,000	55,000	55,000
TOTAL FUNDS	**15,695,300**	**15,591,900**	**15,591,900**	**15,591,900**	**16,152,800**	**16,152,800**	**16,152,800**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	11,948,700	12,200,400	12,200,400	12,200,400	12,479,800	12,479,800	12,479,800
Operating Expenses	3,706,600	3,059,000	3,059,000	3,059,000	3,340,500	3,340,500	3,340,500
Capital Outlay	40,000	332,500	332,500	332,500	332,500	332,500	332,500
TOTAL EXPENDITURES	**15,695,300**	**15,591,900**	**15,591,900**	**15,591,900**	**16,152,800**	**16,152,800**	**16,152,800**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	15,489,700	15,469,400	15,469,400	15,469,400	16,097,800	16,097,800	16,097,800
Restricted Funds	55,600	122,500	122,500	122,500	55,000	55,000	55,000
TOTAL CURRENT	**15,545,300**	**15,591,900**	**15,591,900**	**15,591,900**	**16,152,800**	**16,152,800**	**16,152,800**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund Special	150,000						

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding of General Funds and expenditure of all available Restricted funds in FY 1992-93. A 4% increase in General Funds is recommended in FY 1993-94. A current year (FY 1991-92) General Fund appropriation of $150,000 is recommended for out-of-state audit travel. The Branch Budget recommends the Secretary of Revenue be authorized to transfer appropriations between departments during FB 1992-94.

HOUSE REPORT

The House concurs with the Branch Budget recommendation.

SENATE REPORT

The Senate concurs with the House.

The insurance surcharge rate established by KRS 136.392 shall be adjusted to a rate sufficient for the enacted budget and shall include restricted fund carry forwards from fiscal years 1992, 1993 and 1994. Appropriations budgeted for transfer to the General Fund shall also be included in the rate calculations.

CONFERENCE REPORT

The Conference concurs with the Senate with the following exception: The Secretary of Revenue is not authorized to transfer funds between departments.

CONFERENCE ANALYSIS
CURRENT YEAR BUDGET REQUESTS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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330107RA.XLS
3/29/92
9:28 PM

Governmental Branch: **Executive**
Cabinet/Function: **Revenue**
Agency: **Office of the Secretary/Administrative Services**
Unit:

	Request	Branch	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:					
FUND SOURCE					
General Fund	15,489,700	15,489,700	15,489,700	15,489,700	15,489,700
General Fund Special	1,318,100	150,000	150,000	150,000	150,000
Restricted Funds	55,600	55,600	55,600	55,600	55,600
TOTAL FUNDS	**16,863,400**	**15,695,300**	**15,695,300**	**15,695,300**	**15,695,300**
II. EXPENDITURES BY CATEGORY					
Personnel Costs	12,330,200	11,948,700	11,948,700	11,948,700	11,948,700
Operating Expenses	4,413,200	3,706,600	3,706,600	3,706,600	3,706,600
Capital Outlay	120,000	40,000	40,000	40,000	40,000
TOTAL EXPENDITURES	**16,863,400**	**15,695,300**	**15,695,300**	**15,695,300**	**15,695,300**
III. CURRENT SERVICES BUDGET					
FUND SOURCE					
General Fund	15,489,700	15,489,700	15,489,700	15,489,700	15,489,700
Restricted Funds	55,600	55,600	55,600	55,600	55,600
TOTAL CURRENT	**15,545,300**	**15,545,300**	**15,545,300**	**15,545,300**	**15,545,300**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE					
FUND SOURCE					
General Fund Special	1,318,100	150,000	150,000	150,000	150,000

V. ADDITIONAL BUDGET ITEMS/CURRENT YEAR

Item# /Type Service Unit/Description	**Fund Source /Subtotal**	**Request**	**Branch Budget**	**House**	**Senate**	**Conference**
1/E Provide funds for Field Operations to fully fund personnel complement and hire seasonal personnel.	GS	278,500				
2/E Provide funds to Administrative services for out-of-state audit travel	GS	709,100	150,000	150,000	150,000	150,000

/Type Service Unit/Description	Fund Source /Subtotal	Request	Branch Budget	House	Senate	Conference
3/E Provide funds for the Office of the Secretary for office space relocation.	GS	261,200				
4/E Provide funds to the Office of Secretary to fully fund personnel salaries.	GS	69,300				
GRAND TOTAL		1,318,100	150,000	150,000	150,000	150,000

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: REVENUE CABINET

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**DEPT OF ADMINISTRATIVE SERVICES**										
1	MAILING/POSTAGE EQUIPMENT	CC				235,000	235,000	235,000			
AGENCY		**TOTAL**				**235,000**	**235,000**	**235,000**			
Capital Construction Surplus						235,000	235,000	235,000			
AGENCY		**TOTAL**				**235,000**	**235,000**	**235,000**			

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/29/92
9:25 PM

Governmental Branch: Executive
Cabinet/Function: Revenue
Agency: Office of Property Valuation Administrators
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	18,661,200	17,161,200	16,161,200	16,161,200	16,615,900	15,615,900	15,615,900
Restricted Funds	1,924,300	1,096,800	2,096,800	2,096,800	955,200	1,955,200	1,955,200
General Fund Continuing	1,289,100						
TOTAL FUNDS	**21,874,600**	**18,258,000**	**18,258,000**	**18,258,000**	**17,571,100**	**17,571,100**	**17,571,100**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	20,508,300	17,326,000	17,326,000	17,326,000	17,039,100	17,039,100	17,039,100
Operating Expenses	1,246,300	832,000	832,000	832,000	532,000	532,000	532,000
Capital Outlay	120,000	100,000	100,000	100,000			
TOTAL EXPENDITURES	**21,874,600**	**18,258,000**	**18,258,000**	**18,258,000**	**17,571,100**	**17,571,100**	**17,571,100**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	18,661,200	16,161,200	16,161,200	16,161,200	15,615,900	15,615,900	15,615,900
Restricted Funds	1,924,300	1,096,800	2,096,800	2,096,800	955,200	1,955,200	1,955,200
General Fund Continuing	1,289,100						
TOTAL CURRENT	**21,874,600**	**17,258,000**	**18,258,000**	**18,258,000**	**16,571,100**	**17,571,100**	**17,571,100**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		1,000,000			1,000,000		

V. ADDITIONAL BUDGET ITEMS

Item#	**Fund Source**		**FY 1992-93**			**FY 1993-94**	
/Type Service Unit/Description	**/Subtotal**	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
1/E/RFR Provide additional state funding for Deputy PVA salaries.	G	1,000,000			1,000,000		
RECAP BY FUND SOURCE	G	**1,000,000**			**1,000,000**		
GRAND TOTAL ADDITIONAL BUDGET		**1,000,000**			**1,000,000**		

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for the Emergency Assessment program and eliminates temporary staffing for PVA offices as funded by the 1990 General Assembly. Funds of $1,500,000 in FY 1992-93 and $500,000 in FY 1993-94 are recommended for the continuation and completion of the Emergency Assessment program. Funds of $1,000,000 are provided for the fifty (50) additional permanent full-time PVA staff provided by the 1990 General Assembly.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the following exception: Additional General Fund dollars of $1,000,000 are authorized each year of the biennium to replace PVA local funds.

SENATE REPORT

The Senate concurs with the House with the following exception: $1,000,000 in General Fund dollars each year of the biennium are not authorized to replace PVA local funds.

CONFERENCE REPORT

The Conference concurs with the Senate.

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/29/92
9:26 PM

Governmental Branch: Executive
Cabinet/Function: Revenue
Agency: Department of Tax Compliance
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	20,533,900	19,047,100	19,047,100	19,047,100	20,517,400	20,517,400	20,517,400
Restricted Funds	1,202,400	2,456,800	2,456,800	2,456,800	1,252,400	1,252,400	1,252,400
Federal Funds	166,500						
Road Fund		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
TOTAL FUNDS	**21,902,800**	**22,503,900**	**22,503,900**	**22,503,900**	**22,769,800**	**22,769,800**	**22,769,800**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	13,806,700	14,627,700	14,627,700	14,627,700	14,989,600	14,989,600	14,989,600
Operating Expenses	8,017,200	7,578,700	7,578,700	7,578,700	7,482,700	7,482,700	7,482,700
Capital Outlay	78,900	297,500	297,500	297,500	297,500	297,500	297,500
TOTAL EXPENDITURES	**21,902,800**	**22,503,900**	**22,503,900**	**22,503,900**	**22,769,800**	**22,769,800**	**22,769,800**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	20,533,900	19,047,100	19,047,100	19,047,100	20,517,400	20,517,400	20,517,400
Restricted Funds	1,202,400	2,456,800	2,456,800	2,456,800	1,252,400	1,252,400	1,252,400
Federal Funds	166,500						
Road Fund		750,000	750,000	750,000	750,000	750,000	750,000
TOTAL CURRENT	**21,902,800**	**22,253,900**	**22,253,900**	**22,253,900**	**22,519,800**	**22,519,800**	**22,519,800**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Road Fund		250,000	250,000	250,000	250,000	250,000	250,000

V. ADDITIONAL BUDGET ITEMS

Item#	Fund Source	FY 1992-93			FY 1993-94		
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
1/E Provide funds to the Compliance and Taxpayer Assistance unit to create 6 PFT auditor positions and develop a special fuels monitoring system.	TR	250,000	250,000	250,000	250,000	250,000	250,000
RECAP BY FUND SOURCE	TR	**250,000**	**250,000**	**250,000**	**250,000**	**250,000**	**250,000**
GRAND TOTAL ADDITIONAL BUDGET		**250,000**	**250,000**	**250,000**	**250,000**	**250,000**	**250,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding of General Fund expenditures for existing services and operations in FB 1992-94. Restricted fund expenditures reflect spenddown of all estimated available funds over the biennium. Road Funds in the amount of $750,000 each year of the biennium are recommended for continuing operation of the MOTAX program. Additional Road Funds of $250,000 each year are recommended to fund the cost of six additional auditors for the MOTAX compliance operations of the Department.

HOUSE REPORT

The House concurs with the Branch Budget recommendation.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the Senate and the House with the following exception.: The current services budget contains continuation funds for the ongoing development and implementation of the Compliance and Receivables System. The Revenue Cabinet shall utilize existing funds to the extent available for completion of the system.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: **REVENUE CABINET**

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**DEPT OF TAX COMPLIANCE**										
1	REMITTANCE PROCESSING EQUIPMENT	CC				170,000	170,000	170,000			
2	OPTICAL SCANNER EQUIPMENT	II							170,000	170,000	170,000
		CC				170,000	170,000	170,000			
3	MAIL SORTER/PROCESSOR EQUIPMENT	CC							90,000	90,000	90,000
5	MICRO/PHOTOGRAPHIC EQUIPMENT	II							150,000	150,000	150,000
AGENCY	**TOTAL**					**340,000**	**340,000**	**340,000**	**410,000**	**410,000**	**410,000**
Investment Income									320,000	320,000	320,000
Capital Construction Surplus						340,000	340,000	340,000	90,000	90,000	90,000
AGENCY	**TOTAL**					**340,000**	**340,000**	**340,000**	**410,000**	**410,000**	**410,000**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

330104RD.XLS
3/29/92
9:26 PM

Governmental Branch: Executive
Cabinet/Function: Revenue
Agency: Department of Property Taxation
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	5,286,300	5,428,100	5,428,100	5,428,100	5,557,700	5,557,700	5,557,700
General Fund Special	975,500						
Restricted Funds	267,000	354,000	354,000	354,000	254,000	254,000	254,000
Road Fund		250,000	250,000	250,000	250,000	250,000	250,000
TOTAL FUNDS	**6,528,800**	**6,032,100**	**6,032,100**	**6,032,100**	**6,061,700**	**6,061,700**	**6,061,700**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	3,921,000	3,663,400	3,663,400	3,663,400	3,734,400	3,734,400	3,734,400
Operating Expenses	2,475,100	2,248,700	2,248,700	2,248,700	2,207,300	2,207,300	2,207,300
Capital Outlay	132,700	120,000	120,000	120,000	120,000	120,000	120,000
TOTAL EXPENDITURES	**6,528,800**	**6,032,100**	**6,032,100**	**6,032,100**	**6,061,700**	**6,061,700**	**6,061,700**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	5,286,300	5,428,100	5,428,100	5,428,100	5,557,700	5,557,700	5,557,700
Restricted Funds	267,000	354,000	354,000	354,000	254,000	254,000	254,000
Road Fund		250,000	250,000	250,000	250,000	250,000	250,000
TOTAL CURRENT	**5,553,300**	**6,032,100**	**6,032,100**	**6,032,100**	**6,061,700**	**6,061,700**	**6,061,700**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund Special	975,500						

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends reduced funding for existing services and operations in FB 1992-94. This reduction is based on FY 1991-92 which includes a 1991-92 additional appropriation of $475,500 for the MOTAX program and $500,000 for the Unmined Minerals program. Road Funds of $250,000 each year of the biennium are recommended to exclusively fund the road fund portion of the MOTAX Program.

HOUSE REPORT
The House concurs with the Branch Budget recommendation.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the Senate and the House.

CONFERENCE ANALYSIS
CURRENT YEAR BUDGET REQUESTS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

BR_15
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3/29/92
9:28 PM

Governmental Branch: Executive
Cabinet/Function: Revenue
Agency: Department of Property Taxation
Unit:

	Request	Branch	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:					
FUND SOURCE					
General Fund	5,286,300	5,286,300	5,286,300	5,286,300	5,286,300
General Fund Special	1,243,500	975,500	975,500	975,500	975,500
Restricted Funds	367,000	267,000	267,000	267,000	267,000
TOTAL FUNDS	**6,896,800**	**6,528,800**	**6,528,800**	**6,528,800**	**6,528,800**
II. EXPENDITURES BY CATEGORY					
Personnel Costs	4,164,400	3,921,000	3,921,000	3,921,000	3,921,000
Operating Expenses	2,599,700	2,475,100	2,475,100	2,475,100	2,475,100
Capital Outlay	132,700	132,700	132,700	132,700	132,700
TOTAL EXPENDITURES	**6,896,800**	**6,528,800**	**6,528,800**	**6,528,800**	**6,528,800**
III. CURRENT SERVICES BUDGET					
FUND SOURCE					
General Fund	5,286,300	5,286,300	5,286,300	5,286,300	5,286,300
Restricted Funds	267,000	267,000	267,000	267,000	267,000
TOTAL CURRENT	**5,553,300**	**5,553,300**	**5,553,300**	**5,553,300**	**5,553,300**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE					
FUND SOURCE					
General Fund Special	1,243,500	975,500	975,500	975,500	975,500
Restricted Funds	100,000				
TOTAL ADDITIONAL	**1,343,500**	**975,500**	**975,500**	**975,500**	**975,500**

V. ADDITIONAL BUDGET ITEMS/CURRENT YEAR

Item# /Type Service Unit/Description	Fund Source /Subtotal	Request	Branch Budget	House	Senate	Conference
1/E Provide additional funds to Unmined Minerals Prog. for operating and personnel as mandated by Franklin Circuit Court.	GS	500,100	500,100	500,100	500,100	500,100

Item# /Type Service Unit/Description	Fund Source /Subtotal	Request	Branch Budget	House	Senate	Conference
2/E Provide additional funds for the Motor Vehicle Tax program for operating expenses as required by the 1990 General Assembly amendment of KRS 134.825.	GS	500,000	475,400	475,400	475,400	475,400
3/E Provide the Property Assessment and I.D. division with full funding for personnel complement	GS	243,400				
4/N Provide operating funds from a new restricted fund source (Delinquent Tax Fund) to allow the Cabinet to properly monitor and assess penalities on delinquent real property & omitted tangible personal prop.	R	100,000				
GRAND TOTAL		**1,343,500**	**975,500**	**975,500**	**975,500**	**975,500**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/29/92
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Governmental Branch: Executive
Cabinet/Function: Revenue
Agency: Workers' Comp. Funding Commission
Unit: Administration and Fund Transfers

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
Restricted Funds	119,357,100	133,782,200	133,782,200	133,782,200	145,061,700	145,061,700	145,061,700
II. EXPENDITURES BY CATEGORY							
Personnel Costs	442,600	451,900	451,900	451,900	463,600	463,600	463,600
Operating Expenses	118,909,500	133,330,300	133,330,300	133,330,300	144,598,100	144,598,100	144,598,100
Capital Outlay	5,000						
TOTAL EXPENDITURES	**119,357,100**	**133,782,200**	**133,782,200**	**133,782,200**	**145,061,700**	**145,061,700**	**145,061,700**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
Restricted Funds	119,357,100	121,257,900	121,257,900	121,257,900	121,633,500	121,633,500	121,633,500
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Restricted Funds		12,524,300	12,524,300	12,524,300	23,428,200	23,428,200	23,428,200

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
E/ Transfer funds to the Labor Cabinet for payment of Workers' Compensation awards.	R	12,000,000	12,000,000	12,000,000	23,000,000	23,000,000	23,000
E/ Transfer funds to the Labor Cabinet for new and expanded programs.	R	508,800	508,800	508,800	412,700	412,700	412,700
E/ Transfer funds to the Uninsured Employers Fund for award payments.	R	15,500	15,500	15,500	15,500	15,500	15,500
RECAP BY FUND SOURCE	**R**	**12,524,300**	**12,524,300**	**12,524,300**	**23,428,200**	**23,428,200**	**451,200**
GRAND TOTAL ADDITIONAL BUDGET		**12,524,300**	**12,524,300**	**12,524,300**	**23,428,200**	**23,428,200**	**451,200**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends increased funding for existing services and programs. Additional restricted funds of $12,524,300 in FY 1992-93 and $23,428,200 in FY 1993-94 are recommended for transfer to the Labor Cabinet and the Uninsured Employers fund.

HOUSE REPORT

The House concurs with the Branch Budget recommendation.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the Senate and the House.

1992 GENERAL ASSEMBLY

FB 1992-94 STATE/EXECUTIVE BRANCH BUDGET MEMORANDUM

TO. TOURISM

APRIL 1, 1992

1992 GENERAL ASSEMBLY
FB 1992-94 CONFERENCE ANALYSIS
GENERAL FUND SUMMARY

FUNCTION: Tourism

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
Office of the Secretary	1,084,000	1,090,600	1,090,600	1,090,600	1,123,300	1,123,300	1,123,300
Breaks Interstate Park	189,900	89,900	170,000	170,000	89,900	170,000	170,000
Dept. of Travel Development	6,878,900	6,010,200	6,010,200	6,010,200	6,190,500	6,190,500	6,190,500
Dept. of Parks	23,521,400	23,439,600	23,439,600	23,439,600	34,771,300	34,771,300	34,771,300
Kentucky Horse Park	2,153,800	2,107,900	2,107,900	2,107,900	2,127,800	2,127,800	2,127,800
Kentucky State Fair Board	7,972,900	7,791,900	7,791,900	7,791,900	10,391,900	10,391,900	10,391,900
Fish and Wildlife							
Operating Budget Total	41,800,900	40,530,100	40,610,200	40,610,200	54,694,700	54,774,800	54,774,800
Capital Budget							
Grand Total	**41,800,900**	**40,530,100**	**40,610,200**	**40,610,200**	**54,694,700**	**54,774,800**	**54,774,800**

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3/30/92
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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive **Agency:** **Cabinet Summary**
Cabinet/Function: Tourism **Unit:**

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	41,800,900	40,530,100	40,610,200	40,610,200	54,694,700	54,774,800	54,774,800
Restricted Funds	78,513,600	82,172,100	82,172,100	82,172,100	85,698,800	85,698,800	85,698,800
Federal Funds	50,000						
TOTAL FUNDS	**120,364,500**	**122,702,200**	**122,782,300**	**122,782,300**	**140,393,500**	**140,473,600**	**140,473,600**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	63,439,100	63,726,100	63,726,100	63,726,100	66,557,300	66,557,300	66,557,300
Operating Expenses	38,091,700	39,861,000	39,861,000	39,861,000	41,782,100	41,782,100	41,782,100
Grants, Loans, Benefits	2,608,500	2,580,600	2,660,700	2,660,700	2,617,400	2,697,500	2,697,500
Debt Service	11,369,000	13,593,600	13,593,600	13,593,600	26,526,000	26,526,000	26,526,000
Capital Outlay	4,856,200	2,940,900	2,940,900	2,940,900	2,910,700	2,910,700	2,910,700
TOTAL EXPENDITURES	**120,364,500**	**122,702,200**	**122,782,300**	**122,782,300**	**140,393,500**	**140,473,600**	**140,473,600**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	41,800,900	40,499,600	40,579,700	40,579,700	41,335,700	41,415,800	41,415,800
Restricted Funds	77,343,100	81,481,300	81,481,300	81,481,300	83,815,800	83,815,800	83,815,800
Federal Funds	50,000						
TOTAL CURRENT	**119,194,000**	**121,980,900**	**122,061,000**	**122,061,000**	**125,151,500**	**125,231,600**	**125,231,600**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		30,500	30,500	30,500	13,359,000	13,359,000	13,359,000
Restricted Funds	1,170,500	690,800	690,800	690,800	1,883,000	1,883,000	1,883,000
TOTAL ADDITIONAL	**1,170,500**	**721,300**	**721,300**	**721,300**	**15,242,000**	**15,242,000**	**15,242,000**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

343850AO.XLS
3/27/92
10:39 AM

Governmental Branch: Executive
Cabinet/Function: Tourism

Agency: **Office of the Secretary**
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	1,084,000	1,090,600	1,090,600	1,090,600	1,123,300	1,123,300	1,123,300
II. EXPENDITURES BY CATEGORY							
Personnel Costs	864,600	739,000	739,000	739,000	761,000	761,000	761,000
Operating Expenses	179,400	171,600	171,600	171,600	182,300	182,300	182,300
Grants, Loans, Benefits	40,000	180,000	180,000	180,000	180,000	180,000	180,000
TOTAL EXPENDITURES	**1,084,000**	**1,090,600**	**1,090,600**	**1,090,600**	**1,123,300**	**1,123,300**	**1,123,300**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	1,084,000	1,090,600	1,090,600	1,090,600	1,123,300	1,123,300	1,123,300

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94 with administration operations being reduced from 21 to 18 fulltime employees. The Branch Budget also includes the transfer of the Outdoor Drama Grants from the Economic Development Cabinet, Office of the Secretary.

The Branch Budget recommends that the Cabinet Secretary be authorized to transfer appropriations among and between the appropriation units in the Cabinet.

HOUSE REPORT

The House concurs with the Branch Budget.

The Branch Budget does not concur with the provision that the Cabinet Secretary be authorized to transfer appropriations among and between the appropriation units in the Cabinet.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

343850KO.XLS
3/27/92
10:40 AM

Governmental Branch: Executive **Agency: Office of the Secretary**
Cabinet/Function: Tourism **Unit: Breaks Interstate Park**

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	189,900	89,900	170,000	170,000	89,900	170,000	170,000
II. EXPENDITURES BY CATEGORY							
Grants, Loans, Benefits	189,900	89,900	170,000	170,000	89,900	170,000	170,000
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	189,900	89,900	170,000	170,000	89,900	170,000	170,000

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends funding by $100,000 in each year in FB 1992-94 below the revised FY 1991-92 level.

HOUSE REPORT

The House concurs with the Branch Budget with the exception that both the Commonwealth of Kentucky and the Commonwealth of Virginia contribute matching cash to the Breaks Interstate Park and that Governors from both Commonwealths enter into a written agreement regarding financial support of the Park. The Park Commission is directed to provide a quarterly financial report to the Legislative Research Commission for referral to the appropriate committees.

SENATE REPORT

The Senate concurs with the House Report with the exception that the General Fund appropriation be increased to $170,000 each year of the biennium. The Secretary of Tourism shall enter into a cooperative agreement for reciprocal financial support of the Park.

CONFERENCE REPORT

The Conference provides for a base level appropriation of $89,900 in each fiscal year. In addition, the Conference provides for an appropriation up to $170,000, contingent upon the Commonwealth of Virginia providing an appropriation in excess of $89,900, which would be matched dollar for dollar up to the maximum amount. Any unmatched portion by the Commonwealth of Virginia, in excess of the base level of $89,900, shall lapse to the General Fund at the close of each fiscal year. The Secretary of Tourism shall enter into a cooperative written agreement regarding the financial support of the Park. The Park Commission is directed to provide a quarterly financial report to the Legislative Research Commission for referral to the appropriate committees.

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/27/92
10:41 AM

Governmental Branch: Executive **Agency:** **Travel Development**
Cabinet/Function: Tourism **Unit:**

	FY 1991-92 Budget	FY 1992-93 House	 Senate	 Conference	FY 1993-94 House	 Senate	 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	6,878,900	6,010,200	6,010,200	6,010,200	6,190,500	6,190,500	6,190,500
Federal Funds	50,000						
TOTAL FUNDS	**6,928,900**	**6,010,200**	**6,010,200**	**6,010,200**	**6,190,500**	**6,190,500**	**6,190,500**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	4,455,700	3,443,000	3,443,000	3,443,000	3,554,500	3,554,500	3,554,500
Operating Expenses	1,474,900	1,627,200	1,627,200	1,627,200	1,696,000	1,696,000	1,696,000
Grants, Loans, Benefits	980,000	940,000	940,000	940,000	940,000	940,000	940,000
Capital Outlay	18,300						
TOTAL EXPENDITURES	**6,928,900**	**6,010,200**	**6,010,200**	**6,010,200**	**6,190,500**	**6,190,500**	**6,190,500**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	6,878,900	6,010,200	6,010,200	6,010,200	6,190,500	6,190,500	6,190,500
Federal Funds	50,000						
TOTAL CURRENT	**6,928,900**	**6,010,200**	**6,010,200**	**6,010,200**	**6,190,500**	**6,190,500**	**6,190,500**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94 along with funding for the Comprehensive Advertising Program of $2,570,000 in FY 1992-93 and $2,647,000 in FY 1993-94. Also included in the Branch Budget is $773,000 in FY 1992-93 and $796,000 in FY 1993-94 for the Matching Funds Advertising Program, to be used for local and regional advertising campaigns.

The Branch Budget also recommends funding of $40,000 in the Tourism Services division each year of the biennium to fund a fifty percent match for the International Tourism activity.

HOUSE REPORT
The House concurs with the Branch Budget with the exception that the fifty percent match for the International Tourism activity be strictly on a cash basis. Reduce the General Fund appropriation for the Comprehensive Advertising Program by $127,000 in FY 1992-93 and $104,000 in FY 1993-94 and increase the Matching Funds Advertising Program by like amounts.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the House and Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/27/92
10:45 AM

Governmental Branch: Executive **Agency:** **Parks**
Cabinet/Function: Tourism **Unit:**

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	23,521,400	23,439,600	23,439,600	23,439,600	34,771,300	34,771,300	34,771,300
Restricted Funds	37,402,700	39,698,000	39,698,000	39,698,000	41,780,000	41,780,000	41,780,000
TOTAL FUNDS	**60,924,100**	**63,137,600**	**63,137,600**	**63,137,600**	**76,551,300**	**76,551,300**	**76,551,300**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	33,020,200	34,380,400	34,380,400	34,380,400	36,128,900	36,128,900	36,128,900
Operating Expenses	22,356,400	23,237,800	23,237,800	23,237,800	24,265,000	24,265,000	24,265,000
Grants, Loans, Benefits	25,000						
Debt Service	2,131,000	4,282,500	4,282,500	4,282,500	14,617,000	14,617,000	14,617,000
Capital Outlay	3,391,500	1,236,900	1,236,900	1,236,900	1,540,400	1,540,400	1,540,400
TOTAL EXPENDITURES	**60,924,100**	**63,137,600**	**63,137,600**	**63,137,600**	**76,551,300**	**76,551,300**	**76,551,300**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	23,521,400	23,409,100	23,409,100	23,409,100	23,979,300	23,979,300	23,979,300
Restricted Funds	37,402,700	39,007,200	39,007,200	39,007,200	40,429,000	40,429,000	40,429,000
TOTAL CURRENT	**60,924,100**	**62,416,300**	**62,416,300**	**62,416,300**	**64,408,300**	**64,408,300**	**64,408,300**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		30,500	30,500	30,500	10,792,000	10,792,000	10,792,000
Restricted Funds		690,800	690,800	690,800	1,351,000	1,351,000	1,351,000
TOTAL ADDITIONAL		**721,300**	**721,300**	**721,300**	**12,143,000**	**12,143,000**	**12,143,000**

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/E Resort Parks-Expand expenditures to operate the expanded golf course at Barren River, adds 2 PFT and 3 seasonal positions	R	77,800	77,800	77,800	85,000	85,000	85,000

Item#	Fund Source	FY 1992-93			FY 1993-94		
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
2/E Resort Parks-Staffing and operating expenses for 10 new cottages at Barren River State Resort Park, adds 1 PFT and 5 seasonals positions	R	87,000	87,000	87,000	90,600	90,600	90,600
3/E Rec. Parks and Historical Sites-staff and operating expenses for the newly expanded golf course at My Old Kentucky Home, adds 6 PFT and 9 seasonal positions	R	253,700	253,700	253,700	265,200	265,200	265,200
4/E Resort Parks-Operating expenses and staffing for the new cottages at Blue Licks State Park, adds 2 seasonal positions	R	31,900	31,900	31,900	32,700	32,700	32,700
5/E Rec. Parks and Historical Sites-Staffing and operating costs for the new swimming pool at Fort Boonesborough State Park, adds 2 seasonal positions	R	7,100	7,100	7,100	14,700	14,700	14,700
6/E Rec. Parks and Historical Sites-Staffing and operating costs to operate the new beach at Grayson Lake State Park, adds 5 seasonal positions	R	20,900	20,900	20,900	20,900	20,900	20,900
7/N Rec. Parks and Historical Sites-add 1 full time staff position for day-to-day cleaning and maintenance at Paintsville Lake State Park	R	13,500	13,500	13,500	14,200	14,200	14,200
8/E Rec. Parks and Historical Sites-Staffing and operating costs for My Old Kentucky Home-Old Bardstown Village, adds 1 PFT, 1 PPT and 18 seasonal positions	R	86,400	86,400	86,400	173,800	173,800	173,800
9/E Rec. Parks and Historical Sites-Staffing and operating costs for new campground at Lincoln Homestead State Park, adds 4 seasonal positions	R	13,000	13,000	13,000	31,200	31,200	31,200

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
10/E Rec. Parks and Historical Sites-Staffing and operating costs for the new activities building at Columbus-Belmont State Park, adds 2 seasonal positions	R	5,200	5,200	5,200	17,100	17,100	17,100
11/E Rec. Parks and Historical Sites-Staffing and operating costs for the newly renovated museum at J. J. Audubon State Park, adds 6 PFT, 1PPT and 4 seasonal positions	R	94,300	94,300	94,300	172,100	172,100	172,100
12/E Resort Parks- staffing and operating expenses for the new lodge at Dale Hollow State Park, adds 24 PFT and 19 seasonal positions in FY 1993-94	G				268,000	268,000	268,000
	R				311,200	311,200	311,200
	Total				**579,200**	**579,200**	**579,200**
13/E Resort Parks-operating expenses for the new lodge at Blue Licks State Park	G				155,000	155,000	155,000
	R				122,300	122,300	122,300
	Total				**277,300**	**277,300**	**277,300**
14/N Debt Service-Bonds - $101,050,000 in FY 92-93	G	30,500	30,500	30,500	10,369,000	10,369,000	10,369,000
RECAP BY FUND SOURCE	**G**	**30,500**	**30,500**	**30,500**	**10,792,000**	**10,792,000**	**10,792,000**
	R	**690,800**	**690,800**	**690,800**	**1,351,000**	**1,351,000**	**1,351,000**
GRAND TOTAL ADDITIONAL BUDGET		**721,300**	**721,300**	**721,300**	**12,143,000**	**12,143,000**	**12,143,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94, as well as provides additional funding of $690,800 in FY 1992-93 in restricted funds to provide for operating costs and 17 additional employees for 11 new and/or expanded facilities authorized by the 1990 General Assembly. Additional General Fund support of $423,000 and restricted fund support of $1,351,000 is recommended in FY 1993-94 to provide for operating costs and 24 new employees for the 13 facilities which were expanded in FY 1992-93 which includes the proposed opening of new lodges at Blue Licks and Dale Hollow State Parks.

The Branch Budget also recommends $30,500 in FY 1992-93 and $10,369,000 in FY 1993-94 for debt service on capital construction projects totaling $101,050,000 in FY 1992-93. Included in the Capital projects is $100,000,000 of bond funds for unspecified projects to revitalize and rebuild the park system. Additionally, $750,000 for maintenance and upgrade of park roads and parking lots is provided in the Department of Transportation's budget for each year of the 1992-94 biennium.

HOUSE REPORT
The House concurs with the Branch Budget with the exception that proceeds from the $100 million bond issue be utilized only for non-recurring renovation and rehabilitation of existing state park facilities and for significant revenue producing new public facilities. The list of recommended projects will be forwarded to the General Assembly at least thirty days prior to the anticipated extraordinary session of the General Assembly for consideration and review. Under no circumstances would any project be undertaken or initiated without prior approval of the General Assembly. In the event that the total debt service appropriation is not required for the proposed $100 million bond issue, then any available amount be utilized to fund either the Clean Air Act program or to provide up to $3,300,000 for Major Maintenance and Small Construction Projects in the Park System above the level funded in the Capital Budget.

The House deauthorizes funds for the Green River Infrastructure project.

The Parks Department shall coordinate and cooperate with the Natural Resources Cabinet concerning compliance with underground storage tanks program requirements.

SENATE REPORT
The Senate concurs with the House Report with the exception that any available debt service for the $100 million bond issue will not be used to fund the Clean Air Act program.

CONFERENCE REPORT
The Conference concurs with the House and Senate with the exception to provide that no excess debt service for the $100 million bond issue can be used for any purpose.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: TOURISM CABINET

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**DEPT OF PARKS**										
0	PARKS REVITALIZATION	BF				100,000,000	100,000,000	100,000,000			
0	BIG BONE - MUSEUM DESIGN *Reauthorization*	CC				60,000	60,000	60,000			
0	GRAYSON LAKE - BEACH DEVELOPMENT *Reauthorization*	SS				100,000	100,000	100,000			
2	DH/INFRAST. DES. & LODGE DEV. *Reauthorization*	BF				550,000	550,000	550,000			
3	FORT BOONESBOROUGH SWIMMING POOL *Reauthorization*										
5	JENNY WILEY/GOLF COURSE *Reauthorization*										
6	CARTER CAVES/CONFERENCE CEN. EXP. *Reauthorization*	SS				110,000	110,000	110,000			
7	BLUE LICKS/M/P BLDG EXP & 3 GU. HS. *Reauthorization*										
9	CARR FORK/RED FOX RESORT *Reauthorization*										

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: **TOURISM CABINET**

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
11	MAJ. MAINT. & SMALL CONST. PRO.	II				3,700,000	3,700,000	3,700,000			
13	MAJ. MAINT. & SMALL CONST. PROJ.	II							3,700,000	3,700,000	3,700,000
15	FUEL STORAGE TANK REPLACEMENTS	CC				150,000	150,000	150,000	150,000	150,000	150,000
18	PINE MT/REP SEW PLT OR CITY HOOK-UP	BF				500,000	500,000	500,000			
AGENCY	**TOTAL**					**105,170,000**	**105,170,000**	**105,170,000**	**3,850,000**	**3,850,000**	**3,850,000**
Bond Fund						101,050,000	101,050,000	101,050,000			
Investment Income						3,700,000	3,700,000	3,700,000	3,700,000	3,700,000	3,700,000
Capital Construction Surplus						210,000	210,000	210,000	150,000	150,000	150,000
Surplus Bond Proceeds						210,000	210,000	210,000			
AGENCY	**TOTAL**					**105,170,000**	**105,170,000**	**105,170,000**	**3,850,000**	**3,850,000**	**3,850,000**

The House deauthorizes funds for the Green River Infrastructure project.

The Senate concurs.

The Conference concurs.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Tourism

Agency: Kentucky Horse Park
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	2,153,800	2,107,900	2,107,900	2,107,900	2,127,800	2,127,800	2,127,800
Restricted Funds	3,811,600	3,800,300	3,800,300	3,800,300	3,914,300	3,914,300	3,914,300
TOTAL FUNDS	**5,965,400**	**5,908,200**	**5,908,200**	**5,908,200**	**6,042,100**	**6,042,100**	**6,042,100**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	2,748,200	2,600,000	2,600,000	2,600,000	2,652,000	2,652,000	2,652,000
Operating Expenses	1,771,700	1,905,100	1,905,100	1,905,100	1,984,100	1,984,100	1,984,100
Debt Service	1,319,000	1,373,100	1,373,100	1,373,100	1,371,000	1,371,000	1,371,000
Capital Outlay	126,500	30,000	30,000	30,000	35,000	35,000	35,000
TOTAL EXPENDITURES	**5,965,400**	**5,908,200**	**5,908,200**	**5,908,200**	**6,042,100**	**6,042,100**	**6,042,100**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	2,153,800	2,107,900	2,107,900	2,107,900	2,127,800	2,127,800	2,127,800
Restricted Funds	3,811,600	3,800,300	3,800,300	3,800,300	3,914,300	3,914,300	3,914,300
TOTAL CURRENT	**5,965,400**	**5,908,200**	**5,908,200**	**5,908,200**	**6,042,100**	**6,042,100**	**6,042,100**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94. The Branch Budget includes a 15% decrease in the number of seasonal positions for the upcoming biennium.

Also the Branch Budget recommends $500,000 for the biennium for the Minor Construction Project Pool.

HOUSE REPORT
The House concurs with the Branch Budget.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the House and Senate.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: TOURISM CABINET

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**KENTUCKY HORSE PARK**										
1	MINOR CONSTRUCTION PROJECT POOL	II				250,000	250,000	250,000	250,000	250,000	250,000
AGENCY		**TOTAL**				**250,000**	**250,000**	**250,000**	**250,000**	**250,000**	**250,000**
Investment Income						250,000	250,000	250,000	250,000	250,000	250,000
AGENCY		**TOTAL**				**250,000**	**250,000**	**250,000**	**250,000**	**250,000**	**250,000**

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/27/92
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Governmental Branch: Executive
Cabinet/Function: Tourism

Agency: **Kentucky State Fair Board**
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	7,972,900	7,791,900	7,791,900	7,791,900	10,391,900	10,391,900	10,391,900
Restricted Funds	18,757,300	19,431,100	19,431,100	19,431,100	20,077,700	20,077,700	20,077,700
TOTAL FUNDS	**26,730,200**	**27,223,000**	**27,223,000**	**27,223,000**	**30,469,600**	**30,469,600**	**30,469,600**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	9,288,300	9,344,700	9,344,700	9,344,700	9,845,300	9,845,300	9,845,300
Operating Expenses	8,008,000	8,408,800	8,408,800	8,408,800	8,813,300	8,813,300	8,813,300
Grants, Loans, Benefits	1,180,000	1,215,500	1,215,500	1,215,500	1,252,000	1,252,000	1,252,000
Debt Service	7,919,000	7,938,000	7,938,000	7,938,000	10,538,000	10,538,000	10,538,000
Capital Outlay	334,900	316,000	316,000	316,000	21,000	21,000	21,000
TOTAL EXPENDITURES	**26,730,200**	**27,223,000**	**27,223,000**	**27,223,000**	**30,469,600**	**30,469,600**	**30,469,600**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	7,972,900	7,791,900	7,791,900	7,791,900	7,824,900	7,824,900	7,824,900
Restricted Funds	17,586,800	19,431,100	19,431,100	19,431,100	19,690,700	19,690,700	19,690,700
TOTAL CURRENT	**25,559,700**	**27,223,000**	**27,223,000**	**27,223,000**	**27,515,600**	**27,515,600**	**27,515,600**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund					2,567,000	2,567,000	2,567,000
Restricted Funds	1,170,500				387,000	387,000	387,000
TOTAL ADDITIONAL	**1,170,500**				**2,954,000**	**2,954,000**	**2,954,000**

V. ADDITIONAL BUDGET ITEMS

			FY 1992-93			FY 1993-94	
Item# **/Type Service Unit/Description**	**Fund Source** **/Subtotal**	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
1/E Increase labor, energy, maintenance, and supply costs for the year-round operation of the expanded South Wing at the KFEC, adds 7 PFT	R				387,000	387,000	387,000

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
2/E Debt service costs for Bonds - South Wing Expansion ($22 million), Access Road Expansion ($3 million)	G				2,567,000	2,567,000	2,567,000
RECAP BY FUND SOURCE	G				2,567,000	2,567,000	2,567,000
	R				387,000	387,000	387,000
GRAND TOTAL ADDITIONAL BUDGET					2,954,000	2,954,000	2,954,000

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs in FB 1992-94, as well as provides additional funding of $387,000 in fiscal year 1993-94 for increased operating cost and seven (7) new positions for the proposed new South Wing Expansion. The Branch Budget also recommends replacing General Funds with Restricted funds of $200,000 each year of the biennium for the North American International Livestock Exposition Show.

The Branch Budget also includes $1,170,500 of restricted funds in FY 1991-92 to provide for increases in personnel costs due to salary upgrades and federal wage law and operating costs increases at the Kentucky Fair and Exposition Center and the Commonwealth Convention Center.

The Branch Budget recommends $2,567,000 in FY 1993-94 for debt service on capital construction projects totaling $25 million, which include $22 million to expand the exhibition space of the South Wing and $3 million for completion of the Access Road. The Branch Budget is also recommending $612,500 in restricted funds and $937,500 in investment income for the biennium for Miscellaneous Major Maintenance projects.

HOUSE REPORT

The House concurs with the Branch Budget with the exception that if the $25 million bond authorization can adequately complete the construction of the South Wing expansion and the Access Road, then any balance may be utilized for construction of the Maintenance Building, if the available balance is sufficient to fully fund the project. The House authorizes the Fair Board to utilize any remaining funds from the initial design of the South Wing Expansion to aid in the construction of the Maintenance Building.

SENATE REPORT

The Senate concurs with the House Report with the exception that no funds are provided for the position of Director of Marketing at the Kentucky Fair and Exposition Center. Funds are provided for the position of Director of Marketing at the Commonwealth Convention Center.

CONFERENCE REPORT

The Conference concurs with the House.

CONFERENCE ANALYSIS
CURRENT YEAR BUDGET REQUESTS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/27/92
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Governmental Branch: Executive
Cabinet/Function: Tourism
Agency: Kentucky State Fair Board
Unit:

	Request	Branch	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:					
FUND SOURCE					
General Fund	7,986,900	7,972,900	7,972,900	7,972,900	7,972,900
Restricted Funds	18,779,700	18,757,300	18,757,300	18,757,300	18,757,300
TOTAL FUNDS	**26,766,600**	**26,730,200**	**26,730,200**	**26,730,200**	**26,730,200**
II. EXPENDITURES BY CATEGORY					
Personnel Costs	9,310,700	9,288,300	9,288,300	9,288,300	9,288,300
Operating Expenses	8,008,000	8,008,000	8,008,000	8,008,000	8,008,000
Grants, Loans, Benefits	1,180,000	1,180,000	1,180,000	1,180,000	1,180,000
Debt Service	7,933,000	7,919,000	7,919,000	7,919,000	7,919,000
Capital Outlay	334,900	334,900	334,900	334,900	334,900
TOTAL EXPENDITURES	**26,766,600**	**26,730,200**	**26,730,200**	**26,730,200**	**26,730,200**
III. CURRENT SERVICES BUDGET					
FUND SOURCE					
General Fund	7,986,900	7,972,900	7,972,900	7,972,900	7,972,900
Restricted Funds	17,609,200	17,586,800	17,586,800	17,586,800	17,586,800
TOTAL CURRENT	**25,596,100**	**25,559,700**	**25,559,700**	**25,559,700**	**25,559,700**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE					
FUND SOURCE					
Restricted Funds	1,170,500	1,170,500	1,170,500	1,170,500	1,170,500

V. ADDITIONAL BUDGET ITEMS/CURRENT YEAR

Item# /Type Service Unit/Description	**Fund Source /Subtotal**	**Request**	**Branch Budget**	**House**	**Senate**	**Conference**
1/E Adjust wages due to salary upgrades and federal wage law and increase operating costs due to increased event activity and attendance at KFEC	R	1,084,200	1,084,200	1,084,200	1,084,200	1,084,200
2/E Additional operating costs for the Commonwealth Convention Center including salary upgrades lobby renovation and new directional centers	R	86,300	86,300	86,300	86,300	86,300
GRAND TOTAL		**1,170,500**	**1,170,500**	**1,170,500**	**1,170,500**	**1,170,500**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: TOURISM CABINET

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	KENTUCKY STATE FAIR BOARD										
1	EXHIBIT SPACE EXPANSION	BF				22,000,000	22,000,000	22,000,000			
2	ACCESS ROAD COMPLETION	BF				3,000,000	3,000,000	3,000,000			
7	MISCELLANEOUS MAJOR MAINTENANCE	RF II				150,000 625,000	150,000 625,000	150,000 625,000	462,500 312,500	462,500 312,500	462,500 312,500
AGENCY		TOTAL				**25,775,000**	**25,775,000**	**25,775,000**	**775,000**	**775,000**	**775,000**
Restricted Fund						150,000	150,000	150,000	462,500	462,500	462,500
Bond Fund						25,000,000	25,000,000	25,000,000			
Investment Income						625,000	625,000	625,000	312,500	312,500	312,500
AGENCY		TOTAL				**25,775,000**	**25,775,000**	**25,775,000**	**775,000**	**775,000**	**775,000**

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Tourism

Agency: **Department of Fish and Wildlife**
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
Restricted Funds	18,542,000	19,242,700	19,242,700	19,242,700	19,926,800	19,926,800	19,926,800
II. EXPENDITURES BY CATEGORY							
Personnel Costs	13,062,100	13,219,000	13,219,000	13,219,000	13,615,600	13,615,600	13,615,600
Operating Expenses	4,301,300	4,510,500	4,510,500	4,510,500	4,841,400	4,841,400	4,841,400
Grants, Loans, Benefits	193,600	155,200	155,200	155,200	155,500	155,500	155,500
Capital Outlay	985,000	1,358,000	1,358,000	1,358,000	1,314,300	1,314,300	1,314,300
TOTAL EXPENDITURES	**18,542,000**	**19,242,700**	**19,242,700**	**19,242,700**	**19,926,800**	**19,926,800**	**19,926,800**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
Restricted Funds	18,542,000	19,242,700	19,242,700	19,242,700	19,781,800	19,781,800	19,781,800
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Restricted Funds					145,000	145,000	145,000

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/N Fisheries Division-Federal Aid Coordination-production costs of a fish identification booklet for anglers	R				50,000	50,000	50,000
2/N Information & Education-Watchable Wildlife booklets for the wildlife appreciation education program	R				95,000	95,000	95,000
RECAP BY FUND SOURCE	R				**145,000**	**145,000**	**145,000**
GRAND TOTAL ADDITIONAL BUDGET					**145,000**	**145,000**	**145,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch budget recommends reduced funding for existing services and programs in FB 1992-94, as well as provides additional funding of $50,000 in FY 1993-94 for publication of a fish identification booklet for anglers in the Fisheries Management Program. The Information and Education program are recommended to receive additional funds of $95,000 in FY 1993-94 for the development of watchable wildlife booklets for the Wildlife Appreciation Education Program.

The Department's recommendation provides for an increase in the license fee structure, to become effective with licenses sold on or after January 1, 1993.

Capital Construction projects totaling $1,675,000 in FY 1992-93 and $1,442,000 in FY 1993-94 are recommended with restricted funds. Included in the Capital Construction projects are $1 million in FY 1992-93 for the Land Acquisition Pool, $475,000 each year of the biennium for expansion of the Game Farm Education Center and $767,000 in FY 1993-94 for Shanty Hollow Dam repairs.

HOUSE REPORT

The House concurs with the Branch Budget with the exception that additional funding reflected by the proposed license fee increase is not provided and the Capital request for the expansion of the Game Farm Education Center is not funded.

SENATE REPORT

The Senate concurs with the Branch Budget.

CONFERENCE REPORT

The Conference concurs with the Branch Budget and acknowledges the increase in the license fee structure, based upon action of the Fish and Wildlife Commission, to become effective with licenses sold on or after January 1, 1993.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: **TOURISM CABINET**

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**DEPT OF FISH AND WILDLIFE**										
1	LAND ACQUISITION POOL	RF				1,000,000	1,000,000	1,000,000			
2	GAME FARM EDUCATION CENTER *Reauthorization*	RF					475,000	475,000		475,000	475,000
3	MISCELLANEOUS MINOR PROJECTS POOL	RF				200,000	200,000	200,000	200,000	200,000	200,000
4	SHANTY HOLLOW DAM REPAIRS	RF							767,000	767,000	767,000
AGENCY	**TOTAL**					**1,200,000**	**1,675,000**	**1,675,000**	**967,000**	**1,442,000**	**1,442,000**
Restricted Fund						1,200,000	1,675,000	1,675,000	967,000	1,442,000	1,442,000
AGENCY	**TOTAL**					**1,200,000**	**1,675,000**	**1,675,000**	**967,000**	**1,442,000**	**1,442,000**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: TOURISM CABINET

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
CABINET/FUNCTION	TOTAL				132,395,000	132,870,000	132,870,000	5,842,000	6,317,000	6,317,000
Restricted Fund					1,350,000	1,825,000	1,825,000	1,429,500	1,904,500	1,904,500
Bond Fund					126,050,000	126,050,000	126,050,000			
Investment Income					4,575,000	4,575,000	4,575,000	4,262,500	4,262,500	4,262,500
Capital Construction Surplus					210,000	210,000	210,000	150,000	150,000	150,000
Surplus Bond Proceeds					210,000	210,000	210,000			
CABINET/FUNCTION	TOTAL				132,395,000	132,870,000	132,870,000	5,842,000	6,317,000	6,317,000

1992 GENERAL ASSEMBLY

FB 1992-94 STATE/EXECUTIVE BRANCH BUDGET MEMORANDUM

TR. TRANSPORTATION

APRIL 1, 1992

1992 GENERAL ASSEMBLY
FB 1992-94 CONFERENCE ANALYSIS
GENERAL FUND SUMMARY

FUNCTION: Transportation

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
Office of the Secretary							
Vehicle Regulation							
Highways							
Revenue Sharing							
Air Transportation	2,768,000	643,700	643,700	1,643,700	1,291,700	1,291,700	2,291,700
Public Transportation	1,189,300	1,466,200	1,466,200	1,466,200	737,900	737,900	737,900
Debt Service							
Rail Transportation	132,500	568,000	568,000	568,000	70,800	70,800	70,800
Operating Budget Total	4,089,800	2,677,900	2,677,900	3,677,900	2,100,400	2,100,400	3,100,400
Capital Budget							
Grand Total	4,089,800	2,677,900	2,677,900	3,677,900	2,100,400	2,100,400	3,100,400

1992 GENERAL ASSEMBLY
FB 1992-94 CONFERENCE ANALYSIS
ROAD FUND SUMMARY

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FUNCTION: Executive

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
A. General Administration & Support							
Office of the Secretary							
1. Legal	5,523,700	5,914,500	5,914,500	5,914,500	6,012,100	6,012,100	6,012,100
2. Personnel	1,744,400	1,800,100	1,800,100	1,800,100	1,855,400	1,855,400	1,855,400
3. Secretary's Office	805,900	857,100	857,100	857,100	967,600	967,600	967,600
Sub-total	8,074,000	8,571,700	8,571,700	8,571,700	8,835,100	8,835,100	8,835,100
Administrative Services							
1. Data Processing	14,388,400	13,674,400	13,674,400	13,674,400	13,508,000	13,508,000	13,508,000
2. Property & Supply	10,550,600	10,320,300	10,320,300	10,320,300	10,650,600	10,650,600	10,650,600
3. Administration	2,593,100	1,806,000	1,806,000	1,806,000	1,818,400	1,818,400	1,818,400
4. Transportation Services	4,201,900						
Sub-total	31,734,000	25,800,700	25,800,700	25,800,700	25,977,000	25,977,000	25,977,000
Fiscal Management							
1. Fiscal Management	3,966,700	4,164,600	4,164,600	4,164,600	4,285,900	4,285,900	4,285,900
2. Toll Facilities	6,522,900	5,090,100	5,090,100	5,090,100	5,238,400	5,238,400	5,238,400
Sub-total	10,489,600	9,254,700	9,254,700	9,254,700	9,524,300	9,524,300	9,524,300
Total-Gen. Adm. & Support	**50,297,600**	**43,627,100**	**43,627,100**	**43,627,100**	**44,336,400**	**44,336,400**	**44,336,400**
B. Revenue Sharing							
1. County Road Aid	64,251,300	65,421,100	65,421,100	65,421,100	66,702,100	66,702,100	66,702,100
2. Rural Secondary	77,944,200	79,363,400	79,363,400	79,363,400	80,917,400	80,917,400	80,917,400
3. Municipal Road Aid	27,034,700	27,526,900	27,526,900	27,526,900	28,065,900	28,065,900	28,065,900
4. Energy Recovery	970,000	980,000	980,000	980,000	1,000,000	1,000,000	1,000,000
5. Energy Recovery Co-op	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total-Revenue Sharing	**170,205,200**	**173,296,400**	**173,296,400**	**173,296,400**	**176,690,400**	**176,690,400**	**176,690,400**
C. Highway							
1. Research	1,135,000	950,000	950,000	950,000	950,000	950,000	950,000
2. Construction:							
A. Resurfacing	48,353,600	46,000,000	48,000,000	46,000,000	46,000,000	48,000,000	46,000,000
B. State Construction	164,956,200	65,316,000	65,316,000	68,041,000	61,998,000	61,998,000	64,794,000
C. State Match	50,574,000	66,890,000	66,890,000	66,890,000	61,823,000	61,823,000	61,823,000
D. Highway Contingency	451,900	35,000,000	50,355,500	33,500,000	33,000,000	34,850,500	30,204,000

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1992 GENERAL ASSEMBLY
FB 1992-94 CONFERENCE ANALYSIS
ROAD FUND SUMMARY

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FUNCTION: **Executive**

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
E. Secretary's Emergency Fd.							
F. Parkway Rehabilitation		10,000,000	10,000,000	10,000,000	10,400,000	12,400,000	10,400,000
G. Deferred Construction Fund		17,355,500		15,130,500	5,850,500		4,850,500
H. State Bridge Prog.		6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Sub-total-Construction	264,335,700	246,561,500	246,561,500	245,561,500	225,071,500	225,071,500	224,071,500
3. Maintenance	129,510,400	135,225,800	135,225,800	135,225,800	138,890,900	138,890,900	138,890,900
4. Engineering Adm.	6,599,100	6,849,800	6,849,800	6,849,800	6,963,900	6,963,900	6,963,900
5. Planning	1,819,400	1,341,400	1,341,400	1,341,400	1,293,800	1,293,800	1,293,800
6. Highway Operations	13,441,800	14,196,800	14,196,800	14,196,800	14,488,800	14,488,800	14,488,800
7. Equipment Services	239,600						
Total-Highway	**417,081,000**	**405,125,300**	**405,125,300**	**404,125,300**	**387,658,900**	**387,658,900**	**386,658,900**
D. Vehicle Regulation							
1. Administration	253,100	340,000	340,000	340,000	340,000	340,000	340,000
2. Drivers Licensing	4,048,000	3,782,900	3,782,900	3,782,900	4,081,900	4,081,900	4,081,900
3. Motor Carriers	1,780,200	1,728,800	1,728,800	1,728,800	1,847,700	1,847,700	1,847,700
4. Mot. Vehicle Licensing	4,165,100	4,109,900	4,109,900	4,109,900	4,343,500	4,343,500	4,343,500
5. Mot. Vehicle Enforcement	8,167,000	9,923,000	9,923,000	9,923,000	9,975,400	9,975,400	9,975,400
Total-Vehicle Regulation	**18,413,400**	**19,884,600**	**19,884,600**	**19,884,600**	**20,588,500**	**20,588,500**	**20,588,500**
E. Debt Service							
1. Toll Road Lease-Rental	31,844,200	23,807,200	23,807,200	23,807,200	23,542,400	23,542,400	23,542,400
2. Resource Recovery	41,858,700	41,868,700	41,868,700	41,868,700	41,859,900	41,859,900	41,859,900
3. General Obligation Bonds	14,072,000	14,091,000	14,091,000	14,091,000	14,057,400	14,057,400	14,057,400
4. Debt Service Acceleration							
5. Economic Development	35,252,400	35,253,600	35,253,600	35,253,600	35,249,000	35,249,000	35,249,000
6. 1990 Series ED Bonds	32,000,000	28,051,400	28,051,400	28,051,400	28,054,800	28,054,800	28,054,800
7. 1992 Series ED Bonds					15,377,200	15,377,200	15,377,200
Total-Debt Service	**155,027,300**	**143,071,900**	**143,071,900**	**143,071,900**	**158,140,700**	**158,140,700**	**158,140,700**
Total Operating Budget	**811,024,500**	**785,005,300**	**785,005,300**	**784,005,300**	**787,414,900**	**787,414,900**	**786,414,900**
Total Capital Budget	**8,474,200**	**2,010,000**	**2,010,000**	**2,010,000**	**2,685,000**	**2,685,000**	**2,685,000**
TOTAL-TRANSPORTATION	**819,498,700**	**787,015,300**	**787,015,300**	**786,015,300**	**790,099,900**	**790,099,900**	**789,099,900**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Transportation

Agency: **Cabinet Summary**
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	4,089,800	2,677,900	2,677,900	3,677,900	2,100,400	2,100,400	3,100,400
Restricted Funds	303,450,800	12,641,900	12,641,900	12,641,900	10,386,800	10,386,800	10,386,800
Federal Funds	205,865,900	311,172,100	311,172,100	311,172,100	287,302,500	287,302,500	287,302,500
Road Fund	811,024,500	785,005,300	785,005,300	784,005,300	787,414,900	787,414,900	786,414,900
Highway Bonds		160,000,000	160,000,000	160,000,000			
General Fund Continuing	1,721,600	819,600	819,600	819,600	300,000	300,000	300,000
TOTAL FUNDS	**1,326,152,600**	**1,272,316,800**	**1,272,316,800**	**1,272,316,800**	**1,087,504,600**	**1,087,504,600**	**1,087,504,600**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	234,642,700	244,830,200	244,830,200	244,830,200	250,617,300	250,617,300	250,617,300
Operating Expenses	85,825,600	91,427,000	91,427,000	91,477,000	92,991,200	92,991,200	92,991,200
Grants, Loans, Benefits	99,474,400	100,755,600	100,755,600	101,705,600	101,469,000	101,469,000	102,469,000
Debt Service	155,027,300	143,071,900	143,071,900	143,071,900	158,140,700	158,140,700	158,140,700
Capital Outlay	5,959,800	4,839,400	4,839,400	4,839,400	4,259,100	4,259,100	4,259,100
Construction	745,222,800	687,392,700	687,392,700	686,392,700	480,027,300	480,027,300	479,027,300
TOTAL EXPENDITURES	**1,326,152,600**	**1,272,316,800**	**1,272,316,800**	**1,272,316,800**	**1,087,504,600**	**1,087,504,600**	**1,087,504,600**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	4,089,800	1,827,900	1,827,900	1,827,900	1,750,400	1,750,400	1,750,400
Restricted Funds	284,360,800	12,641,900	12,641,900	12,641,900	10,386,800	10,386,800	10,386,800
Federal Funds	205,865,900	201,778,100	201,778,100	201,778,100	231,289,900	231,289,900	231,289,900
Road Fund	811,024,500	668,397,300	670,397,300	671,122,300	678,135,000	682,135,000	680,931,000
General Fund Continuing	1,721,600	819,600	819,600	819,600	300,000	300,000	300,000
TOTAL CURRENT	**1,307,062,600**	**885,464,800**	**887,464,800**	**888,189,800**	**921,862,100**	**925,862,100**	**924,658,100**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		850,000	850,000	1,850,000	350,000	350,000	1,350,000
Restricted Funds	19,090,000						
Federal Funds		109,394,000	109,394,000	109,394,000	56,012,600	56,012,600	56,012,600
Road Fund		116,608,000	114,608,000	112,883,000	109,279,900	105,279,900	105,483,900
Highway Bonds		160,000,000	160,000,000	160,000,000			
TOTAL ADDITIONAL	**19,090,000**	**386,852,000**	**384,852,000**	**384,127,000**	**165,642,500**	**161,642,500**	**162,846,500**

HOUSE REPORT

Replaces "Part VII" (page 196) of House Bill 468 ---ROAD FUND REDUCTION PLAN

Pursuant to KRS 48.130 a Road Fund Reduction Plan is established for state government for FY 1992-93 and FY 1993-94. In the event of a reduction (revenue shortfall) in the estimated Road Fund revenue receipts of $773,638,100 in FY 1992-93 and $799,665,200 in FY 1993-94 and the head of the

Executive Branch shall implement reductions in the following sequence:

1. All Statutory programs are adjusted to equal revised estimates.
2. Moneys in the Road Fund Surplus Expenditure Account are applied.
3. All Road Fund Supported Vacancy Credits.
4. Savings realized from the freezing of all permanent full-time nonmerit vacant positions. Any permanent full-time nonmerit positions that may become vacant subsequent to the reduction declaration shall not be filled during the fiscal year and the resulting savings shall go toward the reduction.
5. Any savings realized from unexpended surplus lease-rental payments (to the Turnpike Authority).
6. The Highway Construction Contingency Account and State Resurfacing Program shall contribute at the same level, up to $5 million.
7. The General Administration and Support unit shall participate in the reduction.
8. The Vehicle Regulation appropriation unit shall participate in the reduction.
9. The Maintenance program, within the Highways appropriation unit shall contribute up to $2 million to the remaining targeted reduction balance.
10. The Highway Operations program within the Highways appropriations unit shall contribute up to $1 million to the remaining targeted reduction balance.
11. Highway Construction projects which appear in the 1992-94 Biennial Highway Construction Program shall participate in the following manner: Projects scheduled for the "Design" phase may be delayed one fiscal year. If a project in the subsequent fiscal year is delayed, due to the inclusion of the "reduction" year project, then only a project that is scheduled for "Design" may be delayed.

Replaces "Part VIII" (page 197) of House Bill 468--ROAD FUND SURPLUS EXPENDITURE PLAN

Pursuant to KRS 48.140, the expenditure of surplus monies as defined in the cited statute shall be as follows: 50% of the excess (up to $8 million) shall be deposited in the Highway Construction Contingency Account and the remaining balance shall be deposited in the Road Fund Surplus Expenditure Account.

WEIGHT DISTANCE SURTAX SUNSET PROVISIONS:

If the actual Road Fund receipts for FY 1992-93 exceed the Official Road Fund Revenue Estimate then the amount above the estimate, exclusive of the amount statutorily credited to county and municipal governments, would reduce or replace the Weight Distance Surtax revenue in FY 1993-94 (for which the budget is built on) and the Weight Distance Surtax shall be adjusted accordingly to generate the difference between the surplus and the FY 1993-94 official weight distance surtax revenue estimate of $19.3 million. If the amount of surplus, exclusive of the statutory amounts equals or exceeds the estimated revenue from the Weight Distance Surtax in FY 1993-94, then such moneys shall replace the Weight Distance Surtax in FY 1993-94 and the tax shall sunset at June 30, 1993.

SENATE REPORT

The Senate concurs with the House with the following exception: The Branch Budget's Road Fund Surplus Expenditure Plan is accepted.

CONFERENCE REPORT

The Conference concurs with the House with the following exception: The Weight Distance Tax Sunset provision is added to the Road Fund Surplus Expenditure Plan. This provision becomes the first priority in the utilitization of any Road Fund surplus.

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Transportation
Agency: General Administration & Support
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
Restricted Funds	100,000	6,545,200	6,545,200	6,545,200	6,615,700	6,615,700	6,615,700
Road Fund	50,297,600	43,627,100	43,627,100	43,627,100	44,336,400	44,336,400	44,336,400
TOTAL FUNDS	**50,397,600**	**50,172,300**	**50,172,300**	**50,172,300**	**50,952,100**	**50,952,100**	**50,952,100**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	25,875,500	25,204,300	25,204,300	25,204,300	25,947,300	25,947,300	25,947,300
Operating Expenses	18,656,200	20,128,600	20,128,600	20,128,600	20,745,700	20,745,700	20,745,700
Capital Outlay	5,865,900	4,839,400	4,839,400	4,839,400	4,259,100	4,259,100	4,259,100
TOTAL EXPENDITURES	**50,397,600**	**50,172,300**	**50,172,300**	**50,172,300**	**50,952,100**	**50,952,100**	**50,952,100**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
Restricted Funds	100,000	6,545,200	6,545,200	6,545,200	6,615,700	6,615,700	6,615,700
Road Fund	50,297,600	42,120,700	42,120,700	42,120,700	43,039,300	43,039,300	43,039,300
TOTAL CURRENT	**50,397,600**	**48,665,900**	**48,665,900**	**48,665,900**	**49,655,000**	**49,655,000**	**49,655,000**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Road Fund		1,506,400	1,506,400	1,506,400	1,297,100	1,297,100	1,297,100

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/E Legal- Provide monies for the engagement of attorneys for Worker's Compensation cases.	TR	231,800	231,800	231,800	245,900	245,900	245,900
2/E Data Processing-Provide monies to support the Cabinet's Information Resource Plan.	TR	1,028,500	1,028,500	1,028,500	801,100	801,100	801,100

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
3/E Property and Supply-Provide monies to maintain office, lab, and engineering equipment supply levels.	TR	52,000	52,000	52,000	53,000	53,000	53,000
4/E Administration-Provide monies to send Motor Vehicle Officers to E.K.U. for required training.	TR	74,000	74,000	74,000	71,500	71,500	71,500
5/E Fiscal Management-Monies to support the payment of investment service fees levied by the Finance Cabinet.	TR	77,100	77,100	77,100	82,600	82,600	82,600
6/E Toll Facilities-Provide monies to meet telephone costs due to increase costs arising from the shift from KEWS lines to local telephone lines.	TR	43,000	43,000	43,000	43,000	43,000	43,000
RECAP BY FUND SOURCE	TR	**1,506,400**	**1,506,400**	**1,506,400**	**1,297,100**	**1,297,100**	**1,297,100**
GRAND TOTAL ADDITIONAL BUDGET		**1,506,400**	**1,506,400**	**1,506,400**	**1,297,100**	**1,297,100**	**1,297,100**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding of existing services and programs in FB 1992-94 with the following exceptions: Road Fund Monies are provided to support the Cabinet's Information Resource Plan in the amount of $1,028,500 in FY 1992-93 and $801,100 in FY 1993-94. Monies are provided for the purchase of approximately 145 vehicles in FY 1992-93 and 125 vehicles in FY 1993-94 for the state motorpool. Seventy-five percent of these vehicle are scheduled to be the standard motorpool cars, while the balance will be comprised of vans, station wagons, and enforcement vehicles. Additionally, $74,000 and $71,500 are provided from the Road Fund in each respective year of the next biennium to support training for Motor Vehicle Officers at the Department of Criminal Justice Training, at EKU. Reductions are made to budgeted operating costs and to personnel costs.

HOUSE REPORT

The House concurs with the Branch Recommendations with the following exceptions in the Capital Budget: $1,000,000 is provided in FY 1991-92 from Restricted Fund monies for the removal of underground fuel storage tanks. Of the $750,000 that are provided for Park roads, the Department of Parks may utilize up to $100,000 in each year of the next biennium to pay the salary expense of the National Guard to construct or reconstruct park roads. The House recommends that all reauthorized Capital Construction projects, conform to the corresponding directives that were set forth in House Bill 799, as enacted by the 1990 General Assembly.

SENATE REPORT

The Senate concurs with the Branch Budget.

CONFERENCE REPORT

The Conference concurs with the House.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

335625BO.XLS
3/30/92
7:35 PM

Governmental Branch: Executive **Agency: Air Transportation**
Cabinet/Function: Transportation **Unit:**

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	2,768,000	643,700	643,700	1,643,700	1,291,700	1,291,700	2,291,700
Restricted Funds	143,900	50,000	50,000	50,000	50,000	50,000	50,000
Federal Funds	13,800	14,400	14,400	14,400	15,000	15,000	15,000
General Fund Continuing	1,637,700	719,600	719,600	719,600			
TOTAL FUNDS	**4,563,400**	**1,427,700**	**1,427,700**	**2,427,700**	**1,356,700**	**1,356,700**	**2,356,700**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	438,900	465,700	465,700	465,700	475,700	475,700	475,700
Operating Expenses	155,000	132,500	132,500	132,500	132,800	132,800	132,800
Grants, Loans, Benefits	3,875,600	829,500	829,500	1,829,500	748,200	748,200	1,748,200
Capital Outlay	93,900						
TOTAL EXPENDITURES	**4,563,400**	**1,427,700**	**1,427,700**	**2,427,700**	**1,356,700**	**1,356,700**	**2,356,700**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	2,768,000	643,700	643,700	643,700	1,291,700	1,291,700	1,291,700
Restricted Funds	143,900	50,000	50,000	50,000	50,000	50,000	50,000
Federal Funds	13,800	14,400	14,400	14,400	15,000	15,000	15,000
General Fund Continuing	1,637,700	719,600	719,600	719,600			
TOTAL CURRENT	**4,563,400**	**1,427,700**	**1,427,700**	**1,427,700**	**1,356,700**	**1,356,700**	**1,356,700**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund				1,000,000			1,000,000

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/E-Air Transportation- Monies to continue the installation of Landing Aids and to match federal grant monies.	G			1,000,000			1,000,000
RECAP BY FUND SOURCE	G			**1,000,000**			**1,000,000**
GRAND TOTAL ADDITIONAL BUDGET				**1,000,000**			**1,000,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing services and programs. General Fund monies recommended include $719,600 in FY 1992-93 in continuing appropriations. This is in contrast to no continuing appropriations used to support program activities in the Transportation Cabinet Agency request. Reductions in the General Fund appropriation by the Branch Budget will limit the services that this appropriation unit provides to local public airports around the state for capital projects. The reductions also represent a possible redirection of the continuing appropriation monies from projects, where commitments have been made, but local funding is not available as planned, to other projects. Projects may be funded up to a level to cover estimated costs in a given fiscal year, rather than in total, allowing more projects to be started.

HOUSE REPORT

The House concurs with the Branch Budget.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and the Senate with the following exception: General Fund monies totaling $1 million in each year of the next biennium are added to Air Transportation, to be expended in the following order:

The Transportation Cabinet shall install navigational landing aids at the airports that were funded by the 1990 General Assembly, but were not installed, before the installation of navigational aids at any other airport. Secondly, all federal monies made available for airport construction projects shall be matched to the extent possible. If any of the above General Fund monies are available after the above noted usages, then the Transportation Cabinet shall install navigational aids at the other publicly owned airports around the Commonwealth, that were proposed to the General Assembly by the Transportation Cabinet. Those airports are listed below with the respective estimated costs.

Airports	FY 1992-93
Fleming-Mason Airport	270,000
Big Sandy Regional Airport	270,000
Georgetown-Scott County	270,000
Total	**810,000**

Airports	FY 1993-94
Elizabethtown Addington Field	270,000
Jamestown-Russell County	270,000
Madisonville Municipal	270,000
	810,000

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

335630DO.XLS
3/31/92
11:38 AM

Governmental Branch: Executive
Cabinet/Function: Transportation
Agency: Rail Transportation
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	132,500	568,000	568,000	568,000	70,800	70,800	70,800
Federal Funds	50,000	50,000	50,000	50,000	50,000	50,000	50,000
TOTAL FUNDS	**182,500**	**618,000**	**618,000**	**618,000**	**120,800**	**120,800**	**120,800**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	60,000	40,400	40,400	40,400	42,200	42,200	42,200
Operating Expenses	72,500	27,600	27,600	77,600	28,600	28,600	28,600
Grants, Loans, Benefits	50,000	550,000	550,000	500,000	50,000	50,000	50,000
TOTAL EXPENDITURES	**182,500**	**618,000**	**618,000**	**618,000**	**120,800**	**120,800**	**120,800**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	132,500	68,000	68,000	68,000	70,800	70,800	70,800
Federal Funds	50,000	50,000	50,000	50,000	50,000	50,000	50,000
TOTAL CURRENT	**182,500**	**118,000**	**118,000**	**118,000**	**120,800**	**120,800**	**120,800**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		500,000	500,000	500,000			

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/N Rail Development-Provide Rehab. of rail lines between Paducah and Kevil.	G	450,000	500,000	450,000			
2/E To support the study of Rapid Rail systems in Kentucky.	G	50,000		50,000			
RECAP BY FUND SOURCE	G	**500,000**	**500,000**	**500,000**			
GRAND TOTAL ADDITIONAL BUDGET		**500,000**	**500,000**	**500,000**			

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 1992-94 with the following addition. General Fund monies have been provided in FY 1992-93 in the amount of $500,000 to rehabilitate a rail lines between Paducah and Kevil. General fund monies in the amount of $68,000 in FY 1992-93 and $70,800 in FY 1993-94 are included to support the Kentucky Railroad Commission.

HOUSE REPORT

The House concurs with the Branch Budget with the following exception: $50,000 in General Fund monies are provided in FY 1992-93, to support the study of Rapid Rail transportation in Kentucky by the Transportation Cabinet. Any federal monies that are availble shall be added to support this study. General Fund monies to support the rehabilitation of rail lines between Paducah and Kevil, Kentucky are reduced from $500,000 to $450,000 in FY 1992-93.

SENATE REPORT

The Senate concurs with the Branch Budget.

CONFERENCE REPORT

The Conference concurs with the House.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

335625EO.XLS
3/31/92
11:39 AM

Governmental Branch: Executive
Cabinet/Function: Transportation

Agency: Public Transportation
Unit:

	FY 1991-92 Budget	House	FY 1992-93 Senate	Conference	House	FY 1993-94 Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	1,189,300	1,466,200	1,466,200	1,466,200	737,900	737,900	737,900
Restricted Funds	70,800	66,300	66,300	66,300	66,300	66,300	66,300
Federal Funds	2,652,000	3,762,700	3,762,700	3,762,700	3,776,500	3,776,500	3,776,500
General Fund Continuing	83,900	100,000	100,000	100,000	300,000	300,000	300,000
TOTAL FUNDS	**3,996,000**	**5,395,200**	**5,395,200**	**5,395,200**	**4,880,700**	**4,880,700**	**4,880,700**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	369,700	373,700	373,700	373,700	381,600	381,600	381,600
Operating Expenses	62,800	56,800	56,800	56,800	59,700	59,700	59,700
Grants, Loans, Benefits	3,563,500	4,964,700	4,964,700	4,964,700	4,439,400	4,439,400	4,439,400
TOTAL EXPENDITURES	**3,996,000**	**5,395,200**	**5,395,200**	**5,395,200**	**4,880,700**	**4,880,700**	**4,880,700**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	1,189,300	1,116,200	1,116,200	1,116,200	387,900	387,900	387,900
Restricted Funds	70,800	66,300	66,300	66,300	66,300	66,300	66,300
Federal Funds	2,652,000	2,662,700	2,662,700	2,662,700	2,676,500	2,676,500	2,676,500
General Fund Continuing	83,900	100,000	100,000	100,000	300,000	300,000	300,000
TOTAL CURRENT	**3,996,000**	**3,945,200**	**3,945,200**	**3,945,200**	**3,430,700**	**3,430,700**	**3,430,700**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		350,000	350,000	350,000	350,000	350,000	350,000
Federal Funds		1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
TOTAL ADDITIONAL		**1,450,000**	**1,450,000**	**1,450,000**	**1,450,000**	**1,450,000**	**1,450,000**

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/E Public Transportation-To make grants available to local transit authorities to match federal grant monies in the Section "18" and "9" programs for capital and operating expenses. Base: approx.$1 million	G	350,000	350,000	350,000	350,000	350,000	350,000
2/E Provide additional funding to federal transit programs.	F	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
RECAP BY FUND SOURCE	G	**350,000**	**350,000**	**350,000**	**350,000**	**350,000**	**350,000**
	F	**1,100,000**	**1,100,000**	**1,100,000**	**1,100,000**	**1,100,000**	**1,100,000**
GRAND TOTAL ADDITIONAL BUDGET		**1,450,000**	**1,450,000**	**1,450,000**	**1,450,000**	**1,450,000**	**1,450,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends funding that is sufficient to carry out existing program and to increase activities. Of the General Fund monies recommended in the Branch Budget, $100,000 in FY 1992-93 and $300,000 in FY 1993-94 represent continuing appropriations. Additional Federal monies ($1.1 million each year) and General Fund monies ($350,000 each year) are recommended, all of which are directed toward grants to local transit agencies. Included in the Public Transportation is $15,000 in each year of the next biennium, from the General Fund, to support the operations of the Augusta Ferry in Bracken County.

HOUSE REPORT

The House concurs with the Branch Budget.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

335610CO.XLS
3/31/92
11:43 AM

Governmental Branch: Executive
Cabinet/Function: Transportation

Agency: **Revenue Sharing**
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
Road Fund	170,205,200	173,296,400	173,296,400	173,296,400	176,690,400	176,690,400	176,690,400
II. EXPENDITURES BY CATEGORY							
Personnel Costs	14,151,900	14,503,800	14,503,800	14,503,800	15,365,000	15,365,000	15,365,000
Operating Expenses	29,005,900	29,477,400	29,477,400	29,477,400	29,477,400	29,477,400	29,477,400
Grants, Loans, Benefits	91,286,000	92,902,000	92,902,000	92,902,000	94,722,000	94,722,000	94,722,000
Construction Outlay	35,761,400	36,413,200	36,413,200	36,413,200	37,126,000	37,126,000	37,126,000
TOTAL EXPENDITURES	**170,205,200**	**173,296,400**	**173,296,400**	**173,296,400**	**176,690,400**	**176,690,400**	**176,690,400**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
Road Fund	170,205,200	173,296,400	173,296,400	173,296,400	176,690,400	176,690,400	176,690,400

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends funding for the Revenue Sharing appropriation unit, based on the Official Road Fund Revenue Estimate for Motor Fuels Tax (for the County, Rural Secondary and Municipal Road Aid programs). The Energy Recovery and the Energy Recovery Coop programs are funded at a level based on estimated revenue, from each respective program.

HOUSE REPORT
The House concurs with the Branch Budget recommendations with the following exceptions: Notwithstanding KRS 179.410-179.440, as it relates to the County Road Aid Program; KRS 177.320-177.360, as it relates to the Rural Secondary Road Aid Program; and KRS 177.365-177.369, as it relates to the Municipal Road Aid Program, $38,000 is transferred from the County Road Aid appropriation, $46,000 is transferred from the Rural Secondary appropriation, and $16,000 is transferred from the Municipal Road Aid appropriation to the Kentucky Transportation Center. These transfers, which total $100,000 shall be made in each year of FB 1992-94.

SENATE REPORT
The Senate concurs with the House .

CONFERENCE REPORT
The Conference concurs with the House and the Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

335610FA.XLS
3/31/92
11:58 AM

Governmental Branch: Executive
Cabinet/Function: Transportation

Agency: Highways
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
Restricted Funds	302,294,000	4,322,500	4,322,500	4,322,500	2,100,000	2,100,000	2,100,000
Federal Funds	201,588,600	306,345,000	306,345,000	306,345,000	282,461,000	282,461,000	282,461,000
Road Fund	417,081,000	405,125,300	405,125,300	404,125,300	387,658,900	387,658,900	386,658,900
Highway Bonds		160,000,000	160,000,000	160,000,000			
TOTAL FUNDS	**920,963,600**	**875,792,800**	**875,792,800**	**874,792,800**	**672,219,900**	**672,219,900**	**671,219,900**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	177,424,400	187,118,800	187,118,800	187,118,800	190,687,700	190,687,700	190,687,700
Operating Expenses	33,658,500	36,465,100	36,465,100	36,465,100	37,401,500	37,401,500	37,401,500
Grants, Loans, Benefits	419,300	1,229,400	1,229,400	1,229,400	1,229,400	1,229,400	1,229,400
Construction Outlay	709,461,400	650,979,500	650,979,500	649,979,500	442,901,300	442,901,300	441,901,300
TOTAL EXPENDITURES	**920,963,600**	**875,792,800**	**875,792,800**	**874,792,800**	**672,219,900**	**672,219,900**	**671,219,900**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
Restricted Funds	283,204,000	4,322,500	4,322,500	4,322,500	2,100,000	2,100,000	2,100,000
Federal Funds	201,588,600	198,051,000	198,051,000	198,051,000	227,548,400	227,548,400	227,548,400
Road Fund	417,081,000	291,198,400	293,198,400	293,923,400	296,345,500	300,345,500	299,141,500
TOTAL CURRENT	**901,873,600**	**493,571,900**	**495,571,900**	**496,296,900**	**525,993,900**	**529,993,900**	**528,789,900**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Restricted Funds	19,090,000						
Federal Funds		108,294,000	108,294,000	108,294,000	54,912,600	54,912,600	54,912,600
Road Fund		113,926,900	111,926,900	110,201,900	91,313,400	87,313,400	87,517,400
Highway Bonds		160,000,000	160,000,000	160,000,000			
TOTAL ADDITIONAL	**19,090,000**	**382,220,900**	**380,220,900**	**378,495,900**	**146,226,000**	**142,226,000**	**142,430,000**

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/E Construction-Budget proceeds of proposed 1992 ED Bonds ($300m) for HB 929 highway projects. Branch Rec.: Proceeds from $150 Million Bond Issue in FY 93.	H	160,000,000	160,000,000	160,000,000			
2/E Construction-Suspend KRS 175.505 (Debt Acel.). Utilize proceeds for state parkway rehab. and state/county bride prog. Proceeds comprised of the current balance($23.8 million and the estimated biennial appropriations[$24.5 million].	TR	26,349,000	26,349,000	26,349,000	21,000,000	21,000,000	21,000,000
3/E Construction-Provide monies realized from the proposed suspension of KRS 138.660 (WD-Surtax), to support state/county bridge program.	TR	18,400,000	18,400,000	18,400,000	19,300,000	19,300,000	19,300,000
4/E Construction-Provide monies designated for Kentucky "Demonstration" projects.	F	106,495,000	106,495,000	106,495,000			
5/E Maintenance-Provide monies to keep up with the cost of traffic maintenance materials.	TR	1,703,500	1,703,500	1,703,500	2,084,900	2,084,900	2,084,900
6/E Maintenance-Supplement state forces, used for rest area maintenance, with contract maintenance.	TR	500,000	500,000	500,000	525,000	525,000	525,000
7/E Maintenance-Provide monies for the costs associated with the six new loadmeter stations that have been opened in the current biennium.	TR	222,000	222,000	222,000	230,000	230,000	230,000
8/E Maintenance-Provide monies for contract striping of highways and installation of highway signals.	TR	600,000	600,000	600,000	800,000	800,000	800,000

Item#	Fund Source		FY 1992-93			FY 1993-94	
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
9/E Highway Planning-Branch Rec.--Monies to support the development of highway management systems and 2 PFT positions.	F	1,799,000	1,799,000	1,799,000	1,835,800	1,835,800	1,835,800
10/E Construction-Branch Rec.--Monies to fund the Highway Construction Contingency Account.	TR	35,000,000	50,355,500	33,500,000	33,000,000	34,850,500	30,204,000
11/E Construction-Branch Rec.--Additional Road Fund monies to support matching requirements on federal projects.	TR	13,696,900	13,696,900	13,696,900	8,423,000	8,423,000	8,423,000
12/E Highways-Branch Rec.--Provides for the expenditure of additional federal highway dollars.	F				53,076,800	53,076,800	53,076,800
13/E Ky. Transportation Center-To support a Technology Exchange Program for local governments.	TR	100,000	100,000	100,000	100,000	100,000	100,000
14/ Construction- Provide monies for the Deferred Construction Program Fund.	TR	17,355,500		15,130,500	5,850,500		4,850,500
RECAP BY FUND SOURCE	**F**	**108,294,000**	**108,294,000**	**108,294,000**	**54,912,600**	**54,912,600**	**54,912,600**
	TR	**113,926,900**	**111,926,900**	**110,201,900**	**91,313,400**	**87,313,400**	**87,517,400**
	H	**160,000,000**	**160,000,000**	**160,000,000**			
GRAND TOTAL ADDITIONAL BUDGET		**382,220,900**	**380,220,900**	**378,495,900**	**146,226,000**	**142,226,000**	**142,430,000**

BUDGET MODIFICATION REPORT

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends reduced funding for existing program activities in several areas of the Highways appropriation unit and redirects monies in the Construction programs. Road Fund monies recommended for the Construction program in each year of the next biennium represent a reduction from the current year revised construction budget. Furthermore, monies have been redirected within the State Construction program. Total recommended appropriations to the State Construction program amount to $131.8 million in FY 1992-93 and $115.4 million in FY 1993-94, compared with current year funding, $164.9 million. The Branch Budget recommends appropriations in the State Construction Program to specific subprograms as follows:

-Continued-

Sub Program	FY 1991-92(Rev.)	FY 1992-93	FY 1993-94
1. Highway Construction/Contingency Account*	23,000,000	30,505,000	15,000,000
2. Secretary's Emergency Fund		20,000,000	20,000,000
3. State/County Bridge Program	10,000,000	6,000,000	6,000,000
4. Parkway Rehabilitation		10,000,000	12,400,000
5. Specific "SP" Projects	131,956,200	65,316,500	61,998,500
Total	**164,956,200**	**131,821,500**	**115,398,500**

*The "Highway Construction Contingency Account" is analogous to the Secretary's Discretionary/Contingency Account that was funded by the 1990 General Assembly at $23 million each year. This account was established in House Bill 929 in the 1990 General Assembly.

The impact of the recommended allocations to the various sub programs within the State Construction that are included in the Branch Budget and noted in the "Recommended Biennial Highway Construction Program" is a redirection of monies from specific "line item" projects as defined in KRS 176.420(2) and 176.430.

The "State Resurfacing" program is recommended to be funded at $48 million in each year of the next biennium. Additional Road Fund monies have been recommended in the amounts of $13.7 million in FY 1992-93 and $8.4 million in FY 1993-94 to be used to match federal highway apportionments. This recommendation would provide $66.9 million and $61.8 million in each respective year of the next biennium to match federal monies on highway projects.

The Branch Budget further recommends that the following Kentucky Revised Statutes be suspended for the next biennium:

KRS	SUBJECT	EFFECT	FY 1991-92	FY 1992-93	FY 1993-94
KRS 138.660(4)	Weight Distance Surtax	Extension of 1.15 cents per mile through the next biennium.		$18,400,000	$19,300,000
KRS 175.505	Debt Payment Account	Usage of Fund Balance.		23,849,000	
KRS 175.505	Debt Payment Account	Usage of any Investment Earnings.			
KRS 175.505	Debt Payment Account	Suspension of Statutory Appropriation from 5 cents gas tax.		12,000,000	
KRS 47A	Appropriations Act	Redirection of the Snow and Ice Removal investment earnings.			
TOTAL				**$54,249,000**	**$31,300,000**

Projects proposed to be funded from the monies that have been noted above are included as "SP" (state construction) projects, and segregated (with the exception noted previously) in this budget.

The Branch Budget provides for the usage of additional federal monies, that are projected from the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). Included within the usage of federal monies is funding to develop a highway management system and to support two permanent full-time positions. Additionally, federal monies are provided to support $106.5 million in federal "Demonstration Projects" in FY 1992-93.

HOUSE REPORT

The House concurs with the Branch Budget recommendations with the following exceptions: $150,000 in Road Fund monies were provided in each year of the next bienium to support the Research program. Road Fund monies in the amount of $2 million in each year of FB 1992-94 were redirected from the State Resurfacing program to the Deferred Construction Project Fund. The House recommended appropriations of $46 million in each year of the next biennium represents the amount needed to keep the resurfacing cycle at the ten to twelve year cycle. $100,000 has been redirected each year from the Revenue Sharing Programs to support the Technology Transfer Program at the Kentucky Transportation Center. The $100,000 each year were allocated among the County, Rural Secondary, and Municipal Road Aid programs in the amounts that are denoted in the Revenue Sharing section of the House Report.

-Continued-

With respect to the State/County Bridge program, in which the Transportation Cabinet aids counties in replacing deficient bridges, the House concurs with the recommended appropriation of $6 million in each respective year of the biennium, but with the following provision: The basis on which the appropriations of the State/County Bridge Program monies shall be expended is as follows: Each Transportation Highway District shall receive a percentage (of the appropriation) equal to its percentage share of the total eligible bridges in the Commonwealth.

State Parkway Rehabilitation Program monies in the amount of $2 million in FY 1993-94 were redirected to the Deferred Construction Project Fund. This program is now funded at $10 million in FY 1992-93 and $10.4 million in FY 1993-94, from the Road fund. The Secretary of Transportation shall implement a Kentucky wildflower planting program as a natural memorial celebrating the Commonwealth's Bicentennial on the state-owned property surrounding the west appproach to the twin bridges crossing the Kentucky River in Franklin County. This site at the Kentucky River and Benson Creek is the juncture of the Commonwealth's original three counties, that were established in 1780: Jefferson, Fayette, and Lincoln. It is the intent of the General Assembly, that monies from the Maintenance Program be used to meet any necessary parkway rehabilitation above the amount specifically appropriated for this purpose.

Monies recommended to support the Highway Construction Contingency Account as established by KRS 45.247 are increased by $4,494,500 in FY 1992-93 and by $17,999,500 in FY 1993-94. Total appropriations to the Highway Construction Contingency Account total $35 million in FY 1992-93 and $33 million in FY 1993-94. Notwithstanding KRS 45.247 (2), monies from the Highway Construction Contingency Account may be used to meet any emergency or discretionary situation, that the Secretary of Transportation deems appropriate. Any monies that have not been expended in the Highway Construction Contingency Account at the end of FY 1992-93, shall be transferred to the Deferred Construction Project Fund.

The Secretary's Emergency Fund was not funded in the House report. This action freed $20 million of Road Fund monies in each year of the next biennium. Disposition of these monies are recommended as follows: In each year of FB 1992-94, $150,000 was redirected to the Research program, that is mentioned previously in the House Report; addtional monies were added to the Highway Construction Contingency Account; and the balance of monies in FY 1992-93 ($15,355,500) and in FY 1993-94 ($5,850,500), were redirected to the Deferred Construction Project Fund.

The House establishes for FB 1992-94, the Deferred Construction Project Fund. Recommended appropriations to this fund, total $17,355,500 in FY 1992-93 and $5,850,500 in FY 1993-94. It is the intent of the House, that this fund be set up as a seperate and distinct account from the other highway construction accounts. The Deferred Construction Project Fund shall be used to complete projects, that were included in the 1990-92 Biennial Highway Construction Program, a part of the FB 1990-92 Final Enacted Budget Memorandum, but did not get built and are not otherwise scheduled to be built in FB 1992-94 Biennial Highway Construction Program, to the extent that this fund will support. Furthermore, the Deferred Construction Project Fund shall be used to support projects in the 1990 Six Year Plan, as approved by the 1990 General Assembly, that were scheduled in FY 1992-93 or FY 1993-94, if those projects are not otherwise scheduled to be built in the FB 1992-94 Biennial Highway Construction Program. Any monies that remain unexpended at the end of the FY 1992-93, shall not lapse, but be utilized in FY 1993-94 for the stated purposes. Any Road Fund savings realized on projects completed within the next biennium, shall be deposited in the Deferred Construction Project Fund.

Included in the House budget are reporting requirement that relate to the various program initiatives in the Highway appropriation unit. As it relates to the Road Fund monies appropriated to match federal highway apportionments, the Transportation Cabinet shall submit a report to the Interim Joint Committee on Appropriations and Revenues by the following September 1 of each fiscal year of the next biennium that shows the disposition of the State Match appropriations by individual project and the status of those projects, as to whether a contract has been executed, the project status and the projected completion date. The Transportation Cabinet shall provide quarterly to the Appropriations and Revenue Committee fiscal imformation on projects scheduled in the FB 1992-94 Biennial Construction Program and projects funded from the Deferred Construction Project Fund. The information, that shall be included in this quarterly report, is the Project Item Number; Route; Project Cost (as denoted in the Biennial Highway Program); contract award amount; contractor; the three top bids amounts; change order amounts and dates; and associated state (non contractual) costs. The Legislative Research Commission may prescribe the format and the form (electronically or otherwise) in which this information is submitted to the Interim Joint Committee on Approriations and Revenue.

SENATE REPORT
The Senate concurs with the Branch Budget.

CONFERENCE REPORT

The Conference concurs with the House, with the following exceptions: Road Fund appropriations to the Highway budget unit are reduced by $1 million in each year of FB 1992-94. State Construction appropriations is increased in FY 1992-93 by $2,275,000 and in FY 1993-94, by $2,796,000. The Deferred Construction Project Fund is reduced by $2,225,000 in FY 1992-93 and by $1,000,000 in FY 1993-94. The Highway Construction Contingency Account is reduced from the House recommendation by $1,500,000 in FY 1992-93 and by $2,796,000 in FY 1993-94. In addition to the allowable uses previously noted, the Deferred Construction Project Fund may be used by the Transportation Cabinet to match federal highway monies, if the Cabinet has utilized all of the Road Fund monies appropriated ($66,890,000 in FY 1992-93 and $61,823,000 in FY 1993-94) to match federal highway monies. The Transportation Cabinet shall report to the Interim Joint Committee on Appropriations and Revenue and to the Interim Joint Committee on Transportation of each occurrence in which this provision is invoked. Monies set aside in the state construction account for the Lincoln County project, shall remain with the project throughout the biennium or until each phase is completed. The Transportation Cabinet shall not require any local contribution from the Scott County or Georgetown governments for funding any by-pass projects. Any such agreements or arrangements which may presently exists are void and no local funds shall be assessed.

BR_15

CONFERENCE ANALYSIS
CURRENT YEAR BUDGET REQUESTS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive **Agency:** **Highways**
Cabinet/Function: Transportation **Unit:**

	Request	Branch	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:					
FUND SOURCE					
Restricted Funds	400,000	302,294,000	302,294,000	302,294,000	302,294,000
Federal Funds	201,588,600	201,588,600	201,588,600	201,588,600	201,588,600
Road Fund	417,081,000	417,081,000	417,081,000	417,081,000	417,081,000
Highway Bonds	301,894,000				
TOTAL FUNDS	**920,963,600**	**920,963,600**	**920,963,600**	**920,963,600**	**920,963,600**
II. EXPENDITURES BY CATEGORY					
Personnel Costs	177,424,400	177,424,400	177,424,400	177,424,400	177,424,400
Operating Expenses	33,658,500	33,658,500	33,658,500	33,658,500	33,658,500
Grants, Loans, Benefits	419,300	419,300	419,300	419,300	419,300
Construction Outlay	709,461,400	709,461,400	709,461,400	709,461,400	709,461,400
TOTAL EXPENDITURES	**920,963,600**	**920,963,600**	**920,963,600**	**920,963,600**	**920,963,600**
III. CURRENT SERVICES BUDGET					
FUND SOURCE					
Restricted Funds	400,000	283,204,000	283,204,000	283,204,000	283,204,000
Federal Funds	201,588,600	201,588,600	201,588,600	201,588,600	201,588,600
Road Fund	417,081,000	417,081,000	417,081,000	417,081,000	417,081,000
Highway Bonds	282,804,000				
TOTAL CURRENT	**901,873,600**	**901,873,600**	**901,873,600**	**901,873,600**	**901,873,600**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE					
FUND SOURCE					
Restricted Funds		19,090,000	19,090,000	19,090,000	19,090,000
Highway Bonds	19,090,000				
TOTAL ADDITIONAL	**19,090,000**	**19,090,000**	**19,090,000**	**19,090,000**	**19,090,000**

V. ADDITIONAL BUDGET ITEMS/CURRENT YEAR

Item# /Type Service Unit/Description	Fund Source /Subtotal	Request	Branch Budget	House	Senate	Conference
I/E Construction-Provide monies	R		19,090,000	19,090,000	19,090,000	19,090,000
from the proceeds of the 1990 ED	H	19,090,000				
Road Bonds for highway projects.	**Total**	**19,090,000**	**19,090,000**	**19,090,000**	**19,090,000**	**19,090,000**
GRAND TOTAL		**19,090,000**	**19,090,000**	**19,090,000**	**19,090,000**	**19,090,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends additional funding in FY 1991-92 for highway construction. $19.1 million, which represents interest earnings on the 1990 $300 Million Economic Development Road Bonds is recommended to advance projects designated in KRS 175.780. The $19.1 million brings the total projected proceeds, from this bond issue to $338 million.

HOUSE REPORT

The House concurs with the Branch Budget recommendation.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/30/92
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Governmental Branch: Executive
Cabinet/Function: Transportation
Agency: Vehicle Regulation
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
Restricted Funds	842,100	1,657,900	1,657,900	1,657,900	1,554,800	1,554,800	1,554,800
Federal Funds	1,561,500	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Road Fund	18,413,400	19,884,600	19,884,600	19,884,600	20,588,500	20,588,500	20,588,500
TOTAL FUNDS	**20,817,000**	**22,542,500**	**22,542,500**	**22,542,500**	**23,143,300**	**23,143,300**	**23,143,300**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	16,322,300	17,123,500	17,123,500	17,123,500	17,717,800	17,717,800	17,717,800
Operating Expenses	4,214,700	5,139,000	5,139,000	5,139,000	5,145,500	5,145,500	5,145,500
Grants, Loans, Benefits	280,000	280,000	280,000	280,000	280,000	280,000	280,000
TOTAL EXPENDITURES	**20,817,000**	**22,542,500**	**22,542,500**	**22,542,500**	**23,143,300**	**23,143,300**	**23,143,300**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
Restricted Funds	842,100	1,657,900	1,657,900	1,657,900	1,554,800	1,554,800	1,544,800
Federal Funds	1,561,500	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Road Fund	18,413,400	18,709,900	18,709,900	18,709,900	19,296,300	19,296,300	19,296,300
TOTAL CURRENT	**20,817,000**	**21,367,800**	**21,367,800**	**21,367,800**	**21,851,100**	**21,851,100**	**21,841,100**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
Road Fund		1,174,700	1,174,700	1,174,700	1,292,200	1,292,200	1,292,200

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	 Senate	 Conference	FY 1993-94 House	 Senate	 Conference
1/E Mot. Vehicle Enforcement- To provide monies to support 36 vacant MVE officer positions.	TR	848,100	848,100	848,100	898,100	898,100	898,100

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
2/E Drivers Licensing-To provide monies to maintain the current level postage, as it relates to the distribution and administration of driver licenses.	TR	147,700	147,700	147,700	140,700	140,700	140,700
3/E Mot. Vehicle Enforcement-To provide monies needed to pay vehicle rental for MVE vehicles at the Weigh Stations.	TR	143,900	143,900	143,900	253,400	253,400	253,400
4/E Commissioner's Office-To provide monies to publish the Kentucky Motor Vehicle Law Book.	TR	35,000	35,000	35,000			
RECAP BY FUND SOURCE	**TR**	**1,174,700**	**1,174,700**	**1,174,700**	**1,292,200**	**1,292,200**	**1,292,200**
GRAND TOTAL ADDITIONAL BUDGET		**1,174,700**	**1,174,700**	**1,174,700**	**1,292,200**	**1,292,200**	**1,292,200**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget provides funding to support existing services and activities. Monies for the operation of the Department of Vehicle Regulation were reduced. Additional Road Fund monies are provided to support 36 Motor Vehicle Enforcement Officers in the amount of $848,100 in FY 1992-93 and $898,100 in FY 1993-94. Monies are also provided from the Road Fund in the amount of $1,049,600 in FY 1992-93 and $306,000 in FY 1993-94 to purchase forty-four vehicles and the related instrument and apparatus expenses.

HOUSE REPORT

The House concurs with the Branch Budget recommendations, with the following provision: Additional Road Fund monies that are included in the Branch Budget to support 36 Motor Vehicle Enforcement Officers shall not be used for any other purpose. Any monies that are not used for this purpose shall lapse to the credit of the Road Fund Surplus account.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and the Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/31/92
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Governmental Branch: Executive
Cabinet/Function: Transportation

Agency: Debt Service
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE Road Fund	155,027,300	143,071,900	143,071,900	143,071,900	158,140,700	158,140,700	158,140,700
II. EXPENDITURES BY CATEGORY							
Debt Service	155,027,300	143,071,900	143,071,900	143,071,900	158,140,700	158,140,700	158,140,700
III. CURRENT SERVICES BUDGET							
FUND SOURCE Road Fund	155,027,300	143,071,900	143,071,900	143,071,900	142,763,500	142,763,500	142,763,500
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE Road Fund					15,377,200	15,377,200	15,377,200

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/E Economic Development Bonds-Provide monies to support debt service on a new $300 million road bond issue. Branch Rec.: $150 Million Issue in FY 93. Debt Serv. in FY 94.	TR				15,377,200	15,377,200	15,377,200
					15,377,200	**15,377,200**	**15,377,200**
RECAP BY FUND SOURCE	**TR**				**15,377,200**	**15,377,200**	**15,377,200**
GRAND TOTAL ADDITIONAL BUDGET					**15,377,200**	**15,377,200**	**15,377,200**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget recommends funding to support existing debt service payments for the following bond issues: Toll Road Bonds; Resource Recovery Bonds; General Obligation Bonds; Economic Development Road Bonds; and the 1990 Series Economic Development Road Bonds. Further recommendations include the usage of Road Fund monies to pay the debt service on Resource Recovery Road Bonds, which statutorily would be supported by Coal Severance Tax receipts as provided by KRS 143.092. Additional Road Fund monies are provided in the amount of $15,377,200 in FY 1993-94, to pay the debt service on a propose $150 million new Economic Development Road Bond issue. This issue would be sold in FY 1992-93 and is projected to generate $160 million (in construction proceeds) to the FY 1992-93 Construction budget. This additional item represents a reduction from the Transportation Cabinet Agency Budget Request, which called for a $300 million bond issue and a corresponding debt service payment of $30.8 million in each year of the next biennium.

HOUSE REPORT

The House concurs with the Branch Budget Recommendations with the following exception: Any moneys not required to meet lease-rental payments or to meet the administrative costs of the Turnpike Authority shall be transferred to the Deferred Project Construction Fund.

SENATE REPORT

The Senate concurs with the Branch Budget.

CONFERENCE REPORT

The Conference concurs with the House.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: TRANSPORTATION CABINET

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**DEPT OF ADMINISTRATIVE SERVICES**										
0	BREATHITT CO. MAINTENANCE FACILITY *Reauthorization*										
0	FRANKLIN CO. MAINTENANCE FACILITY *Reauthorization*										
0	LEXINGTON DISTRICT OFFICE BUILDING *Reauthorization*										
1	PERRY COUNTY MAINTENANCE FACILITY *Reauthorization*	TF				60,000	60,000	60,000			
3	VARIOUS ENVIRONMENTAL PROJECTS	RF	1,000,000		1,000,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
5	MATERIALS TESTING EQUIPMENT	TF				150,000	150,000	150,000	100,000	100,000	100,000
6	LOADOMETER STATION-MAINT & REPAIR	TF				200,000	200,000	200,000	200,000	200,000	200,000
7	STORMWATER RUNOFF\TESTING & REMEDIA	TF				50,000	50,000	50,000	150,000	150,000	150,000
10	MONTGOMERY CO MAINT FACILITY & LOT	TF							615,000	615,000	615,000

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: TRANSPORTATION CABINET

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
11	BARREN CO MAINTENANCE FACILITY	TF							465,000	465,000	465,000
12	ASBESTOS ABATEMENT AND MONITORING	TF				75,000	75,000	75,000			
12	ROAD MAINTENANCE - VARIOUS PARKS	TF				750,000	750,000	750,000			
13	BUILDING RENOV,PAINT & EMERG REPAIR	TF				325,000	325,000	325,000	325,000	325,000	325,000
14	ROAD MAINTENANCE - VARIOUS PARKS	TF							750,000	750,000	750,000
15	MAILING MACHINE	TF							80,000	80,000	80,000
AGENCY		**TOTAL**	**1,000,000**		**1,000,000**	**3,110,000**	**3,110,000**	**3,110,000**	**4,185,000**	**4,185,000**	**4,185,000**
Restricted Fund			1,000,000		1,000,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Road Fund						1,610,000	1,610,000	1,610,000	2,685,000	2,685,000	2,685,000
AGENCY		**TOTAL**	**1,000,000**		**1,000,000**	**3,110,000**	**3,110,000**	**3,110,000**	**4,185,000**	**4,185,000**	**4,185,000**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: **TRANSPORTATION CABINET**

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY: DEPT OF VEHICLE REGULATION										
1 ADVANTAGE I-75 PROJECT IVHS EQUIP.	TF				400,000	400,000	400,000			
AGENCY	**TOTAL**				**400,000**	**400,000**	**400,000**			
Road Fund					400,000	400,000	400,000			
AGENCY	**TOTAL**				**400,000**	**400,000**	**400,000**			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: **TRANSPORTATION CABINET**

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conferenc FY 1993-9
CABINET/FUNCTION	**TOTAL**	**1,000,000**		**1,000,000**	**3,510,000**	**3,510,000**	**3,510,000**	**4,185,000**	**4,185,000**	**4,185,000**
Restricted Fund		1,000,000		1,000,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Road Fund					2,010,000	2,010,000	2,010,000	2,685,000	2,685,000	2,685,000
CABINET/FUNCTION	**TOTAL**	**1,000,000**		**1,000,000**	**3,510,000**	**3,510,000**	**3,510,000**	**4,185,000**	**4,185,000**	**4,185,000**

1992 GENERAL ASSEMBLY

FB 1992-94 STATE/EXECUTIVE BRANCH BUDGET MEMORANDUM

1992-94 BIENNIAL HIGHWAY CONSTRUCTION PLAN

APRIL 1, 1992

1992 GENERAL ASSEMBLY
FB 1992-94 MEMORANDUM
1992-94 BIENNIAL HIGHWAY CONSTRUCTION PLAN
HB 468 CONFERENCE ANALYSIS

Governmental Branch: Executive
Cabinet/Function: Transportation
Agency: Highway
Unit: Construction

County	District	Item No.	Route	Length	Type of Work	Phase	Funding	FY 1991-92	FY 1992-93	FY 1993-94
PIKE	12	263	US-460	17.5	PE & ENVIR	DN	APD	500,000		
PIKE	12	264.01	US-119	4	RELOCATION	DN	APD	1,750,000		
PIKE	12	308	US-119	8.1	PE & ENVIR	DN	APD	2,150,000		
PIKE	12	309.05	US-119	1.16	RELOCATION	CN	APD		5,986,000	
PIKE	12	309.06	US-119	3.21	RELOCATION	UT	APD	2,500,000		
PIKE	12	309.06	US-119	3.21	RELOCATION	CN	APD			11,514,000
PIKE	12	310.01	US-119	2.5	RELOCATION	DN	APD	1,500,000		
					Total			**8,400,000**	**5,986,000**	**11,514,000**
					State Bond Program					
MCCRACKEN	01	290.02	US-60	3.3	MAJOR WIDENING	UT	BP		2,325,000	
MCCRACKEN	01	290.02	US-60	3.3	MAJOR WIDENING	CN	BP			9,559,000
MCCRACKEN	01	290.03	US-60	0.8	MAJOR WIDENING	CN	BP			5,419,000
TRIGG	01	1043.03	US-68	4	NEW ROUTE	CN	BP		3,500,000	
TRIGG	01	1043.04	US-68	4	RELOCATION	CN	BP		4,500,000	
TRIGG	01	1065.01	US-68	2.5	NEW ROUTE	RW	BP	1,239,000 *		
TRIGG	01	1065.01	US-68	2.5	NEW ROUTE	UT	BP		409,000	
TRIGG	01	1065.02	US-68	2.8	NEW ROUTE	RW	BP	783,000 *		
TRIGG	01	1065.02	US-68	2.8	NEW ROUTE	UT	BP		650,000	
CHRISTIAN	02	112		4	NEW ROUTE	RW	BP		700,000	
CHRISTIAN	02	112		4	NEW ROUTE	UT	BP		800,000	
CHRISTIAN	02	1010	US-68	5.2	NEW ROUTE	RW	BP	1,420,000 *		
CHRISTIAN	02	1010	US-68	5.2	NEW ROUTE	UT	BP		274,000	
CHRISTIAN	02	1011.01	US-68	3.8	NEW ROUTE	RW	BP	1,030,000 *		
CHRISTIAN	02	1011.01	US-68	3.8	NEW ROUTE	UT	BP		245,000	
CHRISTIAN	02	1011.02	US-68	2.3	NEW ROUTE	RW	BP	805,000 *		
CHRISTIAN	02	1011.02	US-68	2.3	NEW ROUTE	UT	BP		390,000	
DAVIESS	02	295	US-60	1.1	MAJOR WIDENING	CN	BP		3,552,000	
DAVIESS	02	295.01	US-60	4.128	MAJOR WIDENING	CN	BP			12,250,000
DAVIESS	02	295.03	US-60	2.2	MAJOR WIDENING	CN	BP			3,365,000
DAVIESS	02	295.04	US-60	4.12	MAJOR WIDENING	CN	BP			6,983,000

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CHRISTIAN	03	1020	US-68	4.6	NEW ROUTE	RW	BP		835,000	
CHRISTIAN	03	1020	US-68	4.6	NEW ROUTE	UT	BP			271,000
LOGAN	03	248	US-68	3.85	NEW ROUTE	CN	BP	5,700,000 *		
LOGAN	03	248.01	US-68	3.85	NEW ROUTE	CN	BP			3,800,000
LOGAN	03	271	US-68	3.7	MAJOR WIDENING	CN	BP			5,500,000
LOGAN	03	271.01	US-68	3.48	MAJOR WIDENING	UT	BP	348,000 *		
LOGAN	03	271.01	US-68	3.48	MAJOR WIDENING	CN	BP		3,575,000	
LOGAN	03	271.02	US-68	3.48	NEW ROUTE	CN	BP			3,100,000
LOGAN	03	272.01	US-68	3.804	NEW ROUTE	CN	BP		3,816,000	
LOGAN	03	274	US-68	2.99	NEW ROUTE	CN	BP			2,913,000
LOGAN	03	1024	US-68	6.7	NEW ROUTE	RW	BP	1,615,000 *		
LOGAN	03	1024	US-68	6.7	NEW ROUTE	UT	BP			582,000
TODD	03	1021	US-68	4.7	NEW ROUTE	RW	BP		820,000	
TODD	03	1021	US-68	4.7	NEW ROUTE	UT	BP			207,000
TODD	03	1022	US-68	5.64	NEW ROUTE	RW	BP		1,175,000	
TODD	03	1022	US-68	5.64	NEW ROUTE	UT	BP			403,000
TODD	03	1023	US-68	4.3	NEW ROUTE	RW	BP		500,000	
TODD	03	1023	US-68	4.3	NEW ROUTE	UT	BP			380,000
MERCER	07	200.1	US-127	2.01	NEW ROUTE	RW	BP		661,000	
MERCER	07	200.1	US-127	2.01	NEW ROUTE	UT	BP		265,000	
MERCER	07	200.2	US-127	2.54	NEW ROUTE	RW	BP		1,165,000	
MERCER	07	200.2	US-127	2.54	NEW ROUTE	UT	BP		290,000	
MERCER	07	200.3	US-127	1.05	NEW ROUTE	RW	BP		391,000	
MERCER	07	200.3	US-127	1.05	NEW ROUTE	UT	BP		35,000	
MONTGOMERY	07	177.01	US-460	1.52	MAJOR WIDENING	CN	BP			2,698,000
CARTER	09	223.1	AA-HWY	4.9	NEW ROUTE	CN	BP		3,038,000	
CARTER	09	223.11	AA-HWY	5.4	NEW ROUTE	CN	BP			4,066,000
GREENUP	09	222.13	AA-HWY	3.9	NEW ROUTE	CN	BP		2,323,000	
GREENUP	09	222.14	AA-HWY	3.9	NEW ROUTE	CN	BP		2,680,000	
GREENUP	09	222.15	AA-HWY	4.2	NEW ROUTE	CN	BP			2,605,000
LEWIS	09	222.12	AA-HWY	3.92	NEW ROUTE	CN	BP			2,737,000
LEWIS	09	223.08	AA-HWY	4.2	NEW ROUTE	CN	BP			806,000

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LEWIS	09	223.09	AA-HWY	5	NEW ROUTE	CN	BP		3,209,000	
BELL	11	55.01	US-25E	3.11	MAJOR WIDENING	CN	BP		11,600,000	
BELL	11	55.05	US-25E	1.11	NEW ROUTE	CN	BP		2,616,000	
LETCHER	12	126	US-23	2.8	RELOCATION	RW	BP	7,123,000 *		
LETCHER	12	126.01	US-23	2.8	RELOCATION	RW	BP		2,532,000	
LETCHER	12	127.01	US-23	2.77	RELOCATION	RW	BP	2,319,000 *		
LETCHER	12	127.01	US-23	2.77	RELOCATION	UT	BP	400,000 *		
LETCHER	12	127.01	US-23	2.77	RELOCATION	CN	BP			16,500,000
LETCHER	12	128.1	US-23	2.57	RELOCATION	RW	BP			4,000,000
LETCHER	12	128.1	US-23	2.57	RELOCATION	UT	BP			1,200,000
PIKE	12	128.2	US-23	1.23	RELOCATION	RW	BP			1,900,000
PIKE	12	128.2	US-23	1.23	RELOCATION	UT	BP			800,000
PIKE	12	128.3	US-23	1.23	RELOCATION	RW	BP			2,150,000
PIKE	12	128.3	US-23	1.23	RELOCATION	UT	BP			800,000
Z(VARIOUS)	99	179	VARIOUS		CONTINGENCY ACCOUNT	CN	BP		6,135,000	
					Total			**22,782,000 ***	**65,006,000**	**94,994,000**
					Bridge Acceleration					
KENTON	06	300		0.2	BRDG REPLCMT	DN	BRA		2,217,000	
					Federal Bridge Replacement On Federal System					
JEFFERSON	05	1008	I-64		BRDG INSPECTION	CN	BRO		700,000	
PULASKI	08	138	US-27	0.7	MAJOR WIDENING	DN	BRO	2,000,000		
PULASKI	08	257	US-27	1	BRDG REPLCMT	DN	BRO	1,200,000		
MASON	09	207.02	US62/68	0.51	BRDG REPLCMT	DN	BRO	3,000,000		
MASON	09	207.02	US62/68	0.51	BRDG REPLCMT	CN	BRO			20,000,000
BELL	11	1009	US-119	0.1	BRDG REHAB	DN	BRO	200,000		
BELL	11	1009	US-119	0.1	BRDG REHAB	RW	BRO			25,000
BELL	11	1009	US-119	0.1	BRDG REHAB	UT	BRO			100,000
Z(VARIOUS)	99	27	VARIOUS		BRDG INSPECTION	CN	BRO		1,500,000	
Z(VARIOUS)	99	28	VARIOUS		BRDG INSPECTION	CN	BRO			1,500,000

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County	District	Item No.	Route	Length	Type of Work	Phase	Funding	FY 1991-92	FY 1992-93	FY 1993-94
Z(VARIOUS)	99	109	VARIOUS		SEISMIC RETROFIT	DN	BRO	350,000		
Z(VARIOUS)	99	109	VARIOUS		SEISMIC RETROFIT	CN	BRO	700,000		
Z(VARIOUS)	99	110	VARIOUS		SEISMIC RETROFIT	CN	BRO		750,000	
Z(VARIOUS)	99	181	VARIOUS		BRDG REPLACEMENT	CN	BRO	6,000,000		
Z(VARIOUS)	99	182	VARIOUS		BRDG REPLACEMENT	CN	BRO		7,700,000	
					Total			**13,450,000**	**10,650,000**	**21,625,000**
					Federal Bridge Replacement Off Federal System					
FULTON	01	1103	KY-1282	0.1	BRDG REPLCMT	DN	BRZ			50,000
GRAVES	01	1037	KY-408	0.1	BRDG REPLCMT	RW	BRZ	18,000		
GRAVES	01	1037	KY-408	0.1	BRDG REPLCMT	UT	BRZ	61,000		
GRAVES	01	1037	KY-408	0.1	BRDG REPLCMT	CN	BRZ			155,000
GRAVES	01	1042	KY-339	0.1	BRDG REPLCMT	DN	BRZ	30,000		
GRAVES	01	1042	KY-339	0.1	BRDG REPLCMT	RW	BRZ		40,000	
GRAVES	01	1042	KY-339	0.1	BRDG REPLCMT	UT	BRZ		75,000	
HICKMAN	01	1113	KY-1529	0.1	BRDG REPCLMT	DN	BRZ			75,000
MARSHALL	01	1040	KY-1712	0.1	BRDG REPLCMT	CN	BRZ		115,000	
MCCRACKEN	01	1039	KY-1954	0.1	BRDG REPLCMT	CN	BRZ		150,000	
MCCRACKEN	01	1102	KY-1565	0.1	BRDG REPLCMT	DN	BRZ			65,000
CALDWELL	02	970	CR-5070	0.1	BRDG REPLCMT	CN	BRZ	195,000		
CALDWELL	02	1004	CR-5058	0.1	BRDG REPLCMT	DN	BRZ	65,000		
CALDWELL	02	1004	CR-5058	0.1	BRDG REPLCMT	RW	BRZ		75,000	
HANCOCK	02	196	KY-657	0.1	BRDG REPLCMT	CN	BRZ	279,000		
HENDERSON	02	195	KY-266	0.1	BRDG REPLCMT	RW	BRZ		45,000	
HENDERSON	02	195	KY-266	0.1	BRDG REPLCMT	UT	BRZ		35,000	
HENDERSON	02	1005	CR-5131	0.1	BRDG REPLCMT	CN	BRZ	120,000		
UNION	02	1035	KY-130	0.1	BRDG REPLCMT	DN	BRZ		55,000	
UNION	02	1036	KY-130	0.1	BRDG REPLCMT	DN	BRZ		75,000	
ALLEN	03	1018	CR-1217	0.1	BRDG REPLCMT	DN	BRZ	50,000		
ALLEN	03	1018	CR-1217	0.1	BRDG REPLCMT	RW	BRZ		30,000	
ALLEN	03	1018	CR-1217	0.1	BRDG REPLCMT	UT	BRZ		10,000	

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BARREN	03	1005	CR-1186	0.1	BRDG REPLCMT	RW	BRZ	25,000		
BARREN	03	1005	CR-1186	0.1	BRDG REPLCMT	CN	BRZ			231,000
BUTLER	03	174	KY-949	0.1	BRDG REPLCMT	RW	BRZ		65,000	
BUTLER	03	174	KY-949	0.1	BRDG REPLCMT	UT	BRZ		40,000	
BUTLER	03	1010	KY-1083	0.1	BRDG REPLCMT	RW	BRZ	45,000		
BUTLER	03	1010	KY-1083	0.1	BRDG REPLCMT	UT	BRZ	40,000		
BUTLER	03	1010	KY-1083	0.1	BRDG REPLCMT	CN	BRZ			200,000
BUTLER	03	1012	KY-1038	0.1	BRDG REPLCMT	RW	BRZ	50,000		
BUTLER	03	1012	KY-1038	0.1	BRDG REPLCMT	UT	BRZ	40,000		
BUTLER	03	1015	KY-1153	0.1	BRDG REPLCMT	RW	BRZ		50,000	
BUTLER	03	1015	KY-1153	0.1	BRDG REPLCMT	UT	BRZ		40,000	
BUTLER	03	1017	KY-2267	0.1	BRDG REPLCMT	RW	BRZ		40,000	
BUTLER	03	1017	KY-2267	0.1	BRDG REPLCMT	UT	BRZ		35,000	
EDMONSON	03	1011	KY-238	0.1	BRDG REPLCMT	RW	BRZ	50,000		
EDMONSON	03	1011	KY-238	0.1	BRDG REPLCMT	UT	BRZ	45,000		
EDMONSON	03	1011	KY-238	0.1	BRDG REPLCMT	CN	BRZ		275,000	
LOGAN	03	175	KY-1151	0.19	BRDG REPLCMT	CN	BRZ		275,000	
LOGAN	03	176	KY-1151	0.1	BRDG REPLCMT	DN	BRZ		50,000	
METCALFE	03	178	KY-544	0.25	BRDG REPLCMT	RW	BRZ	63,000		
METCALFE	03	178	KY-544	0.25	BRDG REPLCMT	UT	BRZ	35,000		
METCALFE	03	178	KY-544	0.25	BRDG REPLCMT	CN	BRZ			390,000
METCALFE	03	983	CR-5206	0.16	BRDG REPLCMT	RW	BRZ	25,000		
METCALFE	03	983	CR-5206	0.16	BRDG REPLCMT	UT	BRZ	15,000		
METCALFE	03	983	CR-5206	0.16	BRDG REPLCMT	CN	BRZ		300,000	
METCALFE	03	1038	KY-861	0.1	BRDG REPLCMT	DN	BRZ	50,000		
METCALFE	03	1038	KY-861	0.1	BRDG REPLCMT	RW	BRZ		40,000	
METCALFE	03	1038	KY-861	0.1	BRDG REPLCMT	UT	BRZ		50,000	
METCALFE	03	1038	KY-861	0.1	BRDG REPLCMT	CN	BRZ			360,000
WARREN	03	1009	KY-1435	0.1	BRDG REPLCMT	RW	BRZ	14,000		
WARREN	03	1009	KY-1435	0.1	BRDG REPLCMT	UT	BRZ	9,000		
WARREN	03	1009	KY-1435	0.1	BRDG REPLCMT	CN	BRZ		143,000	
WARREN	03	1014	KY-743	0.1	BRDG REPLCMT	DN	BRZ		30,000	

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WARREN	03	1014	KY-743	0.1	BRDG REPLCMT	RW	BRZ			45,000
WARREN	03	1014	KY-743	0.1	BRDG REPLCMT	UT	BRZ			35,000
BRECKINRIDGE	04	1001	KY-992	0.1	BRDG REPLCMT	RW	BRZ		50,000	
BRECKINRIDGE	04	1001	KY-992	0.1	BRDG REPLCMT	UT	BRZ		40,000	
BRECKINRIDGE	04	1009	CR-1025	0.1	BRDG REPLCMT	RW	BRZ	50,000		
BRECKINRIDGE	04	1009	CR-1025	0.1	BRDG REPLCMT	UT	BRZ	30,000		
BRECKINRIDGE	04	1009	CR-1025	0.1	BRDG REPLCMT	CN	BRZ		175,000	
GREEN	04	1012	KY-569	0.1	BRDG REPLCMT	DN	BRZ		50,000	
HARDIN	04	166	KY-920	0.1	BRDG REPLCMT	DN	BRZ	70,000		
HARDIN	04	166	KY-920	0.1	BRDG REPLCMT	RW	BRZ			50,000
HARDIN	04	166	KY-920	0.1	BRDG REPLCMT	UT	BRZ			25,000
LARUE	04	167	KY-462	0.1	BRDG REPLCMT	CN	BRZ	1,066,000		
MEADE	04	160	KY-1816	0.152	BRDG REPLCMT	CN	BRZ	313,000		
WASHINGTON	04	1010	KY-438	0.1	BRDG REPLCMT	RW	BRZ	45,000		
WASHINGTON	04	1010	KY-438	0.1	BRDG REPLCMT	UT	BRZ	35,000		
WASHINGTON	04	1010	KY-438	0.1	BRDG REPLCMT	CN	BRZ		220,000	
WASHINGTON	04	1017	CR-1042	0.1	BRDG REPLCMT	DN	BRZ		75,000	
WASHINGTON	04	1027	KY-433	0.1	BRDG REPLCMT	DN	BRZ		30,000	
BULLITT	05	252	KY-44	0.1	BRDG REPLCMT	DN	BRZ		150,000	
HENRY	05	966	KY-1360	0.335	BRDG REPLCMT	UT	BRZ	50,000		
HENRY	05	966	KY-1360	0.335	BRDG REPLCMT	CN	BRZ		964,000	
JEFFERSON	05	129	KY-1819	0.1	BRDG REPLCMT	RW	BRZ		85,000	
JEFFERSON	05	129	KY-1819	0.1	BRDG REPLCMT	UT	BRZ		25,000	
JEFFERSON	05	134	CR-9999	0.1	BRDG REPLCMT	CN	BRZ		625,000	
JEFFERSON	05	179	KY-1531	0.1	BRDG REPLCMT	DN	BRZ		60,000	
JEFFERSON	05	179	KY-1531	0.1	BRDG REPLCMT	RW	BRZ			40,000
JEFFERSON	05	179	KY-1531	0.1	BRDG REPLCMT	UT	BRZ			50,000
JEFFERSON	05	1009	CR-9999	0.1	BRDG REPLCMT	DN	BRZ			35,000
JEFFERSON	05	1010	CR-9999	0.1	BRDG REPLCMT	DN	BRZ		35,000	
OLDHAM	05	181	KY-1817	0.1	BRDG REPLCMT	DN	BRZ	60,000		
OLDHAM	05	181	KY-1817	0.1	BRDG REPLCMT	RW	BRZ			50,000
OLDHAM	05	181	KY-1817	0.1	BRDG REPLCMT	UT	BRZ			50,000

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OLDHAM	05	182	KY-1817	0.1	BRDG REPLCMT	DN	BRZ	60,000		
OLDHAM	05	182	KY-1817	0.1	BRDG REPLCMT	RW	BRZ			50,000
OLDHAM	05	182	KY-1817	0.1	BRDG REPLCMT	UT	BRZ			35,000
OLDHAM	05	1007	CR-1013	0.1	BRDG REPLCMT	DN	BRZ			65,000
SHELBY	05	157	KY-1399	0.33	BRDG REPLCMT	CN	BRZ	603,000		
CAMPBELL	06	1014	KY-10	0.1	BRDG REPLCMT	DN	BRZ		60,000	
HARRISON	06	1013	KY-1032	0.1	BRDG REPLCMT	DN	BRZ		75,000	
KENTON	06	983	CR-9999	0.1	BRDG REPLCMT	RW	BRZ	490,000		
KENTON	06	983	CR-9999	0.1	BRDG REPLCMT	UT	BRZ	205,000		
KENTON	06	983	CR-9999	0.1	BRDG REPLCMT	CN	BRZ			1,326,000
BOURBON	07	1000	US-460	0.1	BRDG REPLCMT	RW	BRZ		50,000	
BOURBON	07	1000	US-460	0.1	BRDG REPLCMT	UT	BRZ		35,000	
BOURBON	07	1041	CR-1316	0.1	BRDG REPLCMT	DN	BRZ			40,000
CLARK	07	1024	CR-9999	0.1	BRDG REPLCMT	DN	BRZ			75,000
FAYETTE	07	900	CR-5015	0.142	BRDG REPLCMT	CN	BRZ		377,000	
FAYETTE	07	1019	CR-1305	0.1	BRDG REPLCMT	DN	BRZ		50,000	
FAYETTE	07	1045	CR-1300	0.1	BRDG REPLCMT	DN	BRZ			60,000
JESSAMINE	07	1021	CR-1010	0.1	BRDG REPLCMT	DN	BRZ			50,000
MERCER	07	1009	KY-1988	0.1	BRDG REPLCMT	RW	BRZ		20,000	
MERCER	07	1009	KY-1988	0.1	BRDG REPLCMT	UT	BRZ		50,000	
MERCER	07	1009	KY-1988	0.1	BRDG REPLCMT	CN	BRZ			250,000
MERCER	07	1011	KY-1915	0.1	BRDG REPLCMT	DN	BRZ		40,000	
MERCER	07	1012	KY-1915	0.1	BRDG REPLCMT	DN	BRZ		40,000	
MERCER	07	1014	KY-1160	0.1	BRDG REPLCMT	DN	BRZ		70,000	
SCOTT	07	156	KY-922	0.1	BRDG REPLCMT	RW	BRZ		50,000	
SCOTT	07	156	KY-922	0.1	BRDG REPLCMT	UT	BRZ		35,000	
SCOTT	07	156	KY-922	0.1	BRDG REPLCMT	CN	BRZ			403,000
SCOTT	07	1010	KY-620	0.1	BRDG REPLCMT	DN	BRZ	40,000		
SCOTT	07	1010	KY-620	0.1	BRDG REPLCMT	RW	BRZ		40,000	
SCOTT	07	1010	KY-620	0.1	BRDG REPLCMT	UT	BRZ		35,000	
SCOTT	07	1010	KY-620	0.1	BRDG REPLCMT	CN	BRZ			250,000
SCOTT	07	1046	KY-1688	0.1	BRDG REPLCMT	DN	BRZ		50,000	

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Governmental Branch: Executive
Cabinet/Function: Transportation
Agency: Highway
Unit: Construction

County	District	Item No.	Route	Length	Type of Work	Phase	Funding	FY 1991-92	FY 1992-93	FY 1993-94
ADAIR	08	243.01	KY-3491	0.32	BRDG REPLCMT	RW	BRZ	100,000		
ADAIR	08	243.01	KY-3491	0.32	BRDG REPLCMT	UT	BRZ	50,000		
ADAIR	08	243.01	KY-3491	0.32	BRDG REPLCMT	CN	BRZ		1,000,000	
MCCREARY	08	1002	KY-1651	0.1	BRDG REPLCMT	DN	BRZ		100,000	
ROCKCASTLE	08	144	CR-5359	0.1	BRDG REPLCMT	RW	BRZ	150,000		
ROCKCASTLE	08	144	CR-5359	0.1	BRDG REPLCMT	UT	BRZ	75,000		
ROCKCASTLE	08	144	CR-5359	0.1	BRDG REPLCMT	CN	BRZ			515,000
CARTER	09	1012	KY-1910	0.1	BRDG REPLCMT	RW	BRZ	75,000		
CARTER	09	1012	KY-1910	0.1	BRDG REPLCMT	UT	BRZ	70,000		
CARTER	09	1012	KY-1910	0.1	BRDG REPLCMT	CN	BRZ			800,000
CARTER	09	1015	KY-3297	0.1	BRDG REPLCMT	CN	BRZ	750,000		
FLEMING	09	1014	KY-3110	0.1	BRDG REPLCMT	DN	BRZ		100,000	
GREENUP	09	1013	KY-3112	0.1	BRDG REPLCMT	DN	BRZ	60,000		
GREENUP	09	1013	KY-3112	0.1	BRDG REPLCMT	RW	BRZ		100,000	
BREATHITT	10	1027	KY-2469	0.1	BRDG REPLCMT	DN	BRZ		50,000	
MENIFEE	10	1012	CR-1306	0.1	BRDG REPLCMT	DN	BRZ		50,000	
PERRY	10	1014	KY-3194	0.1	BRDG REPLCMT	DN	BRZ			50,000
PERRY	10	1026	KY-3339	0.1	BRDG REPLCMT	DN	BRZ		50,000	
POWELL	10	1009	KY-1028	0.1	BRDG REPLCMT	DN	BRZ	50,000		
POWELL	10	1009	KY-1028	0.1	BRDG REPLCMT	RW	BRZ			40,000
POWELL	10	1009	KY-1028	0.1	BRDG REPLCMT	UT	BRZ			30,000
BELL	11	1008	KY-516	0.1	BRDG REPLCMT	DN	BRZ	70,000		
BELL	11	1008	KY-516	0.1	BRDG REPLCMT	RW	BRZ		70,000	
BELL	11	1008	KY-516	0.1	BRDG REPLCMT	UT	BRZ		40,000	
CLAY	11	1003	KY-2443	0.1	BRDG REPLCMT	CN	BRZ	192,000		
HARLAN	11	903	KY3454	0.1	BRDG REPLCMT	CN	BRZ	314,000		
HARLAN	11	1006	KY-840	0.1	BRDG REPLCMT	DN	BRZ	47,000		
HARLAN	11	1006	KY-840	0.1	BRDG REPLCMT	RW	BRZ			50,000
HARLAN	11	1006	KY-840	0.1	BRDG REPLCMT	UT	BRZ			40,000
HARLAN	11	1007	KY-72	0.1	BRDG REPLCMT	DN	BRZ		40,000	
HARLAN	11	1007	KY-72	0.1	BRDG REPLCMT	RW	BRZ			40,000
HARLAN	11	1007	KY-72	0.1	BRDG REPLCMT	UT	BRZ			30,000

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Agency: Highway
Unit: Construction

County	District	Item No.	Route	Length	Type of Work	Phase	Funding	FY 1991-92	FY 1992-93	FY 1993-94
WHITLEY	11	1004	KY-1804	0.1	BRDG REPLCMT	RW	BRZ	15,000		
WHITLEY	11	1004	KY-1804	0.1	BRDG REPLCMT	UT	BRZ	10,000		
WHITLEY	11	1004	KY-1804	0.1	BRDG REPLCMT	CN	BRZ		200,000	
WHITLEY	11	1005	KY-1064	0.1	BRDG REPLCMT	DN	BRZ		45,000	
WHITLEY	11	1031	KY-1064	0.1	BRDG REPLCMT	DN	BRZ		175,000	
FLOYD	12	1006	CR-1020	0.2	BRDG REPLCMT	RW	BRZ	50,000		
FLOYD	12	1006	CR-1020	0.2	BRDG REPLCMT	UT	BRZ	50,000		
FLOYD	12	1006	CR-1020	0.2	BRDG REPLCMT	CN	BRZ			1,200,000
FLOYD	12	1017	KY-466	0.1	BRDG REPLCMT	RW	BRZ	60,000		
FLOYD	12	1017	KY-466	0.1	BRDG REPLCMT	UT	BRZ	40,000		
FLOYD	12	1017	KY-466	0.1	BRDG REPLCMT	CN	BRZ			280,000
JOHNSON	12	1010	CR-1069	0.1	BRDG REPLCMT	DN	BRZ		65,000	
JOHNSON	12	1010	CR-1069	0.1	BRDG REPLCMT	RW	BRZ			80,000
JOHNSON	12	1010	CR-1069	0.1	BRDG REPLCMT	UT	BRZ			30,000
LAWRENCE	12	1019	KY-707	0.1	BRDG REPLCMT	DN	BRZ		75,000	
LAWRENCE	12	1019	KY-707	0.1	BRDG REPLCMT	RW	BRZ			50,000
LAWRENCE	12	1019	KY-707	0.1	BRDG REPLCMT	UT	BRZ			40,000
LETCHER	12	109	KY-1862	0.1	BRDG REPLCMT	CN	BRZ	330,000		
MARTIN	12	903	CR-5303	0.1	BRDG REPLCMT	DN	BRZ		65,000	
MARTIN	12	903	CR-5303	0.1	BRDG REPLCMT	RW	BRZ			30,000
MARTIN	12	903	CR-5303	0.1	BRDG REPLCMT	UT	BRZ			20,000
PIKE	12	152	KY-1373	0.1	BRDG REPLCMT	CN	BRZ			340,000
PIKE	12	153	KY-2059	0.1	BRDG REPLCMT	CN	BRZ	280,000		
PIKE	12	909	KY-3227	0.1	BRDG REPLCMT	RW	BRZ	60,000		
PIKE	12	909	KY-3227	0.1	BRDG REPLCMT	UT	BRZ	40,000		
PIKE	12	909	KY-3227	0.1	BRDG REPLCMT	CN	BRZ		350,000	
PIKE	12	1016	KY-1460	0.1	BRDG REPLCMT	DN	BRZ		125,000	
PIKE	12	1016	KY-1460	0.1	BRDG REPLCMT	RW	BRZ			80,000
PIKE	12	1016	KY-1460	0.1	BRDG REPLCMT	UT	BRZ			100,000
PIKE	12	1018	KY-2061	0.1	BRDG REPLCMT	DN	BRZ	25,000		
PIKE	12	1018	KY-2061	0.1	BRDG REPLCMT	RW	BRZ		50,000	
PIKE	12	1018	KY-2061	0.1	BRDG REPLCMT	UT	BRZ		40,000	

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Agency: Highway
Unit: Construction

County	District	Item No.	Route	Length	Type of Work	Phase	Funding	FY 1991-92	FY 1992-93	FY 1993-94
Z(VARIOUS)	99	115	VARIOUS		BRDG INSPECTION	CN	BRZ		500,000	
Z(VARIOUS)	99	116	VARIOUS		BRDG INSPECTION	CN	BRZ			500,000
					Total			**7,404,000**	**9,089,000**	**8,855,000**
					Federal Congestion Mitigation					
DAVIESS	02	80			CONGEST. MITIGATION	DN	CM			50,000
DAVIESS	02	168	US-431		CONGEST. MITIGATION	CN	CM		170,000	
DAVIESS	02	185	US-431	0.1	CONGEST. MITIGATION	DN	CM		100,000	
DAVIESS	02	187	US-431	0.1	CONGEST. MITIGATION	DN	CM	50,000		
DAVIESS	02	187	US-431	0.1	CONGEST. MITIGATION	RW	CM			50,000
DAVIESS	02	187	US-431	0.1	CONGEST. MITIGATION	UT	CM			60,000
DAVIESS	02	190	KY-2119	0.1	CONGEST. MITIGATION	DN	CM	50,000		
DAVIESS	02	190	KY-2119	0.1	CONGEST. MITIGATION	RW	CM			40,000
DAVIESS	02	190	KY-2119	0.1	CONGEST. MITIGATION	UT	CM			50,000
DAVIESS	02	202	KY-54	0.1	CONGEST. MITIGATION	DN	CM		100,000	
DAVIESS	02	204	US-60	0.1	CONGEST. MITIGATION	DN	CM	80,000		
DAVIESS	02	204	US-60	0.1	CONGEST. MITIGATION	RW	CM			138,000
DAVIESS	02	204	US-60	0.1	CONGEST. MITIGATION	UT	CM			80,000
JEFFERSON	05	84	KY-1931		CONGEST. MITIGATION	CN	CM		251,000	
JEFFERSON	05	85	US-60A		CONGEST. MITIGATION	CN	CM	280,000		
JEFFERSON	05	92			CONGEST. MITIGATION	DN	CM		650,000	
JEFFERSON	05	188	KY-907		CONGEST. MITIGATION	RW	CM	72,000		
JEFFERSON	05	188	KY-907		CONGEST. MITIGATION	UT	CM	126,000		
JEFFERSON	05	188	KY-907		CONGEST. MITIGATION	CN	CM		510,000	
JEFFERSON	05	189	KY-907	0.215	CONGEST. MITIGATION	UT	CM	23,000		
JEFFERSON	05	189	KY-907	0.215	CONGEST. MITIGATION	CN	CM		490,000	
JEFFERSON	05	206		0.1	CONGEST. MITIGATION	RW	CM	120,000		
JEFFERSON	05	206		0.1	CONGEST. MITIGATION	UT	CM		53,000	
JEFFERSON	05	206		0.1	CONGEST. MITIGATION	CN	CM			500,000
JEFFERSON	05	211	KY-61		CONGEST. MITIGATION	CN	CM	168,000		
JEFFERSON	05	215	KY-1065		CONGEST. MITIGATION	RW	CM	30,000		

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Cabinet/Function: **Transportation**

Agency: **Highway**
Unit: **Construction**

County	District	Item No.	Route	Length	Type of Work	Phase	Funding	FY 1991-92	FY 1992-93	FY 1993-94
JEFFERSON	05	215	KY-1065		CONGEST. MITIGATION	UT	CM	10,000		
JEFFERSON	05	215	KY-1065		CONGEST. MITIGATION	CN	CM		175,000	
JEFFERSON	05	229	KY-61		CONGEST. MITIGATION	DN	CM	30,000		
JEFFERSON	05	229	KY-61		CONGEST. MITIGATION	CN	CM		365,000	
JEFFERSON	05	231	US-31E		CONGEST. MITIGATION	DN	CM	35,000		
JEFFERSON	05	231	US-31E		CONGEST. MITIGATION	CN	CM		300,000	
JEFFERSON	05	250			CONGEST. MITIGATION	RW	CM		80,000	
JEFFERSON	05	250			CONGEST. MITIGATION	UT	CM		50,000	
JEFFERSON	05	250			CONGEST. MITIGATION	CN	CM			200,000
JEFFERSON	05	314			CONGEST. MITIGATION	DN	CM	300,000		
JEFFERSON	05	1012			CONGEST. MITIGATION	DN	CM		150,000	
BOONE	06	182	KY-18	0.15	CONGEST. MITIGATION	DN	CM	40,000		
BOONE	06	182	KY-18	0.15	CONGEST. MITIGATION	CN	CM			100,000
BOONE	06	1015			CONGEST. MITIGATION	CN	CM	75,000		
BOONE	06	1016			CONGEST. MITIGATION	CN	CM		75,000	
BOONE	06	1017			CONGEST. MITIGATION	CN	CM			75,000
BOONE KENTON	06	1022			CONGEST. MITIGATION	DN	CM		300,000	
BOONE KENTON	06	1022			CONGEST. MITIGATION	CN	CM			4,000,000
KENTON	06	173	US-25	0.1	CONGEST. MITIGATION	DN	CM	75,000		
KENTON	06	173	US-25	0.1	CONGEST. MITIGATION	RW	CM		500,000	
KENTON	06	173	US-25	0.1	CONGEST. MITIGATION	UT	CM		300,000	
KENTON	06	174	US-25	0.1	CONGEST. MITIGATION	DN	CM	75,000		
KENTON	06	174	US-25	0.1	CONGEST. MITIGATION	RW	CM		300,000	
KENTON	06	174	US-25	0.1	CONGEST. MITIGATION	UT	CM		200,000	
KENTON	06	310	US-25		CONGEST. MITIGATION	DN	CM	50,000		
KENTON	06	310	US-25		CONGEST. MITIGATION	CN	CM		500,000	
FAYETTE	07	206			CONGEST. MITIGATION	CN	CM		250,000	
FAYETTE	07	306	KY-1974	0.12	CONGEST. MITIGATION	DN	CM		25,000	
FAYETTE	07	321			CONGEST. MITIGATION	CN	CM			50,000
FAYETTE	07	322			CONGEST. MITIGATION	CN	CM			20,000
FAYETTE	07	323			CONGEST. MITIGATION	CN	CM			20,000
FAYETTE	07	324			CONGEST. MITIGATION	CN	CM			35,000

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Cabinet/Function: Transportation
Agency:
Unit: Highway Construction

County	District	Item No.	Route	Length	Type of Work	Phase	Funding	FY 1991-92	FY 1992-93	FY 1993-94
FAYETTE	07	1056			CONGEST. MITIGATION	CN	CM	60,000		
FAYETTE	07	1057			CONGEST. MITIGATION	CN	CM		60,000	
FAYETTE	07	1058			CONGEST. MITIGATION	CN	CM			60,000
SCOTT	07	160	US-460	0.48	CONGEST. MITIGATION	UT	CM	210,000		
SCOTT	07	160	US-460	0.48	CONGEST. MITIGATION	CN	CM		814,000	
BOYD	09	140	KY-168	0.1	CONGEST. MITIGATION	DN	CM			100,000
BOYD	09	173			CONGEST. MITIGATION	DN	CM	50,000		
BOYD	09	173			CONGEST. MITIGATION	CN	CM		600,000	
Z(VARIOUS)	99	172	VARIOUS		CONGEST. MITIGATION	CN	CM	5,400,000		
Z(VARIOUS)	99	173	VARIOUS		CONGEST. MITIGATION	CN	CM		1,700,000	
Z(VARIOUS)	99	174	VARIOUS		CONGEST. MITIGATION	CN	CM			3,200,000
					Total			**7,409,000**	**9,068,000**	**8,828,000**
					Federal Interstate					
JEFFERSON	05	24.09	I-264	1.2	MAJOR WIDENING	CN	I	23,508,000		
JEFFERSON	05	24.23	I-264		SIGNING	CN	I	675,000		
					Total			**24,183,000**		
					Federal Interstate Maintenance					
HARDIN	04	1	I-65		RESTN REHAB	DN	IM	450,000		
HARDIN	04	1	I-65		RESTN REHAB	RW	IM		100,000	
HARDIN	04	1.01	I-65		RESTN REHAB	RW	IM		100,000	
HARDIN	04	1.01	I-65		RESTN REHAB	UT	IM			1,200,000
HART	04	279	US-31W	0.5	RESTN REHAB	DN	IM		100,000	
FRANKLIN	05	45	I-64		RESTN REHAB	DN	IM	200,000		
FRANKLIN	05	45	I-64		RESTN REHAB	CN	IM	1,300,000		
JEFFERSON	05	11	I-64	5	RESTN REHAB	CN	IM	9,530,000		
JEFFERSON	05	24.14	I-264	1.2	RESTN REHAB	CN	IM	5,308,000		
JEFFERSON	05	38	I-65		RESTN REHAB	CN	IM			10,500,000
JEFFERSON	05	50	I-64		RESTN REHAB	CN	IM	1,300,000		

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JEFFERSON	05	53	I-65		SIGNING	CN	IM	475,000		
JEFFERSON	05	54	I-64	0.3	RESTN REHAB	DN	IM	400,000		
JEFFERSON	05	54	I-64	0.3	RESTN REHAB	UT	IM			200,000
JEFFERSON	05	55	I-65		RESTN REHAB	CN	IM		400,000	
JEFFERSON	05	57	I-65		SCOPING STUDY	DN	IM		250,000	
JEFFERSON	05	58	I-264	6.8	RESTN REHAB	CN	IM	3,175,000		
JEFFERSON	05	94	I-264		SIGNING	CN	IM	85,000		
JEFFERSON	05	95	I-264		SIGNING	CN	IM	75,000		
JEFFERSON	05	96	I-265		SIGNING	CN	IM	250,000		
SHELBY	05	8	I-64		RESTN REHAB	RW	IM	135,000		
SHELBY	05	8	I-64		RESTN REHAB	UT	IM		400,000	
BOONE	06	5.2	I-75	3.5	RESTN REHAB	CN	IM	1,800,000		
BOONE	06	20.05	I-75		RESTN REHAB	CN	IM	748,000		
BOONE	06	30	I-275		SIGNING	CN	IM	75,000		
BOONE-KENTON	06	31	I-275		SIGNING	CN	IM			950,000
CAMPBELL	06	32	I-471		SIGNING	CN	IM	400,000		
CARROLL	06	12.13	I-71		RESTN REHAB	CN	IM	639,000		
CARROLL	06	12.15	I-71		RESTN REHAB	CN	IM			1,300,000
CARROLL	06	12.19	I-71		RESTN REHAB	DN	IM	60,000		
CARROLL	06	12.19	I-71		RESTN REHAB	CN	IM		400,000	
CARROLL	06	12.2	I-71		RESTN REHAB	DN	IM	75,000		
CARROLL	06	12.2	I-71		RESTN REHAB	RW	IM		30,000	
CARROLL-HENRY	06	12.18	I-71	6.8	RESTN REHAB	CN	IM	500,000		
KENTON	06	7.03	I-275	2.47	RESTN REHAB	CN	IM	10,000,000		
KENTON	06	38.1	I-75	2	RESTN REHAB	UT	IM	63,000		
KENTON	06	38.1	I-75	2	RESTN REHAB	CN	IM		27,000,000	
KENTON	06	38.2	I-75	1	RESTN REHAB	RW	IM			7,200,000
KENTON	06	38.2	I-75	1	RESTN REHAB	UT	IM			383,000
CLARK	07	6	I-64		RESTN REHAB	DN	IM	200,000		
CLARK	07	6	I-64		RESTN REHAB	RW	IM			100,000
CLARK	07	6	I-64		RESTN REHAB	UT	IM			100,000
FAYETTE	07	9.5	I-75	4.8	MAJOR WIDENING	CN	IM			6,465,000

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MADISON	07	7	I-75		RESTN REHAB	RW	IM		50,000	
MADISON	07	7	I-75		RESTN REHAB	UT	IM		400,000	
MADISON	07	7.01	I-75		RESTN REHAB	RW	IM		50,000	
MADISON	07	7.01	I-75		RESTN REHAB	UT	IM		400,000	
MADISON	07	9.02	I-75	0.5	RESTN REHAB	DN	IM	300,000		
SCOTT	07	1	I-75		RESTN REHAB	CN	IM	2,714,000		
SCOTT	07	2	I-75		RESTN REHAB	CN	IM	2,710,000		
BOYD	09	9	I-64		RESTN REHAB	CN	IM		1,600,000	
BOYD	09	277	US-23	0.1	RESTN REHAB	DN	IM			700,000
Z(VARIOUS)	99	4	VARIOUS		RESTN REHAB	CN	IM		20,000,000	
Z(VARIOUS)	99	5	VARIOUS		RESTN REHAB	CN	IM			22,000,000
Z(VARIOUS)	99	9	I-24		SIGNING	CN	IM	250,000		
Z(VARIOUS)	99	197	VARIOUS			CN	IM	148,000		
Z(VARIOUS)	99	198	VARIOUS			CN	IM		365,000	
					Total			**43,365,000**	**51,645,000**	**51,098,000**
					Kentucky Federal Demonstration					
DAVIESS	02	116	US-231	4.7	NEW ROUTE	RW	KYD	415,000		
DAVIESS	02	116	US-231	4.7	NEW ROUTE	UT	KYD	18,000		
DAVIESS	02	116	US-231	4.7	NEW ROUTE	CN	KYD		20,000,000	
DAVIESS	02	116.01	US-231		NEW ROUTE	CN	KYD		56,800,000	
JEFFERSON	05	311			NEW ROUTE	DN	KYD	364,000		
JEFFERSON	05	311.01			NEW ROUTE	DN	KYD		311,000	
JEFFERSON	05	311.1			NEW ROUTE	RW	KYD			500,000
JEFFERSON	05	311.2			NEW ROUTE	RW	KYD			100,000
JEFFERSON	05	311.3			NEW ROUTE	UT	KYD			25,000
JEFFERSON	05	311.4			NEW ROUTE	UT	KYD			50,000
JEFFERSON	05	311.5			NEW ROUTE	UT	KYD			25,000
CAMPBELL	06	244	KY-9	2.4	MAJOR WIDENING	CN	KYD	2,614,000		
MCCREARY	08	261	KY-92	21	SCOPING STUDY	DN	KYD		125,000	
JOHNSON	12	713.07	US-23	1.733	RELOCATION	CN	KYD		3,571,000	

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Agency: Highway
Unit: Construction

County	District	Item No.	Route	Length	Type of Work	Phase	Funding	FY 1991-92	FY 1992-93	FY 1993-94
JOHNSON	12	713.08	US-23	2.64	RELOCATION	RW	KYD	2,520,000		
JOHNSON	12	713.08	US-23	2.64	RELOCATION	UT	KYD	1,050,000		
JOHNSON	12	713.08	US-23	2.64	RELOCATION	CN	KYD		6,079,000	
JOHNSON	12	713.14	US-23	1.26	RELOCATION	CN	KYD		6,109,000	
PIKE	12	309.04	US-119	2.05	RELOCATION	CN	KYD		13,500,000	
					Total			**6,981,000**	**106,495,000**	**700,000**
					Federal Urban-Louisville					
JEFFERSON	05	81	KY-1703	0.24	SAFETY	CN	MLI	213,000		
JEFFERSON	05	83		0.8	NEW ROUTE	RW	MLI	925,000		
JEFFERSON	05	83		0.8	NEW ROUTE	UT	MLI	294,000		
JEFFERSON	05	83		0.8	NEW ROUTE	CN	MLI			2,399,000
JEFFERSON	05	88		0.44	MINOR WIDENING	DN	MLI	95,000		
JEFFERSON	05	88		0.44	MINOR WIDENING	RW	MLI		150,000	
JEFFERSON	05	88		0.44	MINOR WIDENING	UT	MLI		50,000	
JEFFERSON	05	88		0.44	MINOR WIDENING	CN	MLI			625,000
JEFFERSON	05	91		0.9	MAJOR WIDENING	DN	MLI	200,000		
JEFFERSON	05	91.01		1.5	MAJOR WIDENING	DN	MLI			400,000
					Total			**1,727,000**	**200,000**	**3,424,000**
					Federal Urban-Jefferson County					
JEFFERSON	05	28.01	KY-1447	1	MAJOR WIDENING	DN	MLO	350,000		
JEFFERSON	05	28.02	KY-1447	0.5	MAJOR WIDENING	DN	MLO	250,000		
JEFFERSON	05	93	KY-1020	2	MAJOR WIDENING	DN	MLO		750,000	
JEFFERSON	05	280.02		0.23	NEW ROUTE	CN	MLO	185,000		
					Total			**785,000**	**750,000**	
					Federal National Highway System					
CALLOWAY	01	181	KY-80	35	PE & ENVIR	DN	NH	750,000		

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Cabinet/Function: Transportation
Agency: Highway
Unit: Construction

County	District	Item No.	Route	Length	Type of Work	Phase	Funding	FY 1991-92	FY 1992-93	FY 1993-94
TRIGG	01	180.1	US-68	6.3	MAJOR WIDENING	DN	NH			1,000,000
TRIGG MARSHAL	01	180	US-68	18.3	PE & ENVIR	DN	NH	1,500,000		
CHRISTIAN	02	113	US-68	7.1	NEW ROUTE	DN	NH	1,250,000		
CHRISTIAN	02	113	US-68	7.1	NEW ROUTE	RW	NH		950,000	
CHRISTIAN	02	113	US-68	7.1	NEW ROUTE	UT	NH		300,000	
HANCOCK	02	114.01	US-60	3.46	MAJOR WIDENING	CN	NH	6,870,000		
HANCOCK	02	114.03	US-60	1	MAJOR WIDENING	CN	NH		1,150,000	
HANCOCK	02	114.04	US-60	2.6	MAJOR WIDENING	CN	NH		1,700,000	
HENDERSON	02	210	US-41		SIGNING	CN	NH	115,000		
HOPKINS	02	259.01	US-41	0.667	NEW ROUTE	CN	NH	3,017,000		
LOGAN	03	247.06	US-68	5.17	RELOCATION	CN	NH		5,300,000	
WARREN	03	247.01	US-68	4.89	MAJOR WIDENING	CN	NH	8,550,000		
HARDIN	04	118	US-31W	0.8	MAJOR WIDENING	DN	NH	250,000		
HARDIN	04	118	US-31W	0.8	MAJOR WIDENING	RW	NH		150,000	
HARDIN	04	118	US-31W	0.8	MAJOR WIDENING	UT	NH		150,000	
HARDIN	04	168.07	KY-313	0.97	NEW ROUTE	CN	NH		15,007,000	
BULLITT	05	7.01	I-65		RESTN REHAB	CN	NH	3,980,000		
FRANKLIN	05	56	I-64	5	MAJOR WIDENING	DN	NH		2,500,000	
JEFFERSON	05	14	I-265		NEW INTERCHANGE	DN	NH	750,000		
JEFFERSON	05	14	I-265		NEW INTERCHANGE	RW	NH			100,000
JEFFERSON	05	14	I-265		NEW INTERCHANGE	UT	NH			100,000
JEFFERSON	05	28	I-264		NEW INTERCHANGE	DN	NH	700,000		
JEFFERSON	05	28	I-264		NEW INTERCHANGE	RW	NH			2,000,000
JEFFERSON	05	28	I-264		NEW INTERCHANGE	UT	NH			1,300,000
JEFFERSON	05	47	I-264	1.51	MAJOR WIDENING	DN	NH		150,000	
JEFFERSON	05	48	I-71	10	SCOPING STUDY	DN	NH		500,000	
OLDHAM	05	29	I-71		NEW INTERCHANGE	RW	NH	1,160,000		
OLDHAM	05	29	I-71		NEW INTERCHANGE	UT	NH	640,000		
OLDHAM	05	29	I-71		NEW INTERCHANGE	CN	NH			5,500,000
BOONE	06	5	I-75	3.5	MAJOR WIDENING	CN	NH	7,200,000		
KENTON	06	38.11	I-75	2	RESTN REHAB	UT	NH	9,000		
KENTON	06	38.11	I-75	2	RESTN REHAB	CN	NH		3,000,000	

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KENTON	06	38.21	I-75	1	RESTN REHAB	RW	NH			800,000
KENTON	06	38.21	I-75	1	RESTN REHAB	UT	NH			43,000
CLARK	07	312	KY-1958	1.6	MAJOR WIDENING	DN	NH	500,000		
CLARK	07	312	KY-1958	1.6	MAJOR WIDENING	RW	NH			200,000
CLARK	07	312	KY-1958	1.6	MAJOR WIDENING	UT	NH			100,000
FAYETTE	07	9.41	I-75	5	MAJOR WIDENING	DN	NH	500,000		
FAYETTE	07	9.41	I-75	5	MAJOR WIDENING	RW	NH			1,526,000
FAYETTE	07	9.41	I-75	5	MAJOR WIDENING	UT	NH			65,000
FAYETTE	07	9.51	I-75	4.8	MAJOR WIDENING	CN	NH			4,310,000
FAYETTE	07	9.6	I-75	1.6	MAJOR WIDENING	CN	NH		2,875,000	
FAYETTE	07	22	I-64		PE & ENVIR	DN	NH	400,000		
FAYETTE	07	129	US-27	1.5	MAJOR WIDENING	RW	NH	331,000		
FAYETTE	07	129	US-27	1.5	MAJOR WIDENING	UT	NH	125,000		
FAYETTE	07	129	US-27	1.5	MAJOR WIDENING	CN	NH		1,638,000	
FAYETTE	07	163	US-27	7.2	MAJOR WIDENING	DN	NH	2,500,000		
FAYETTE	07	163	US-27	7.2	MAJOR WIDENING	RW	NH			8,500,000
FAYETTE	07	163	US-27	7.2	MAJOR WIDENING	UT	NH			2,000,000
MADISON	07	21	I-75	12	MAJOR WIDENING	DN	NH		1,800,000	
MADISON	07	138.01	I-75	0.91	NEW ROUTE	RW	NH	822,000		
MADISON	07	138.01	I-75	0.91	NEW ROUTE	UT	NH	745,000		
MADISON	07	138.01	I-75	0.91	NEW ROUTE	CN	NH		6,480,000	
MADISON	07	319	I-75	0.3	RESTN REHAB	DN	NH	500,000		
MADISON	07	319	I-75	0.3	RESTN REHAB	RW	NH			200,000
MADISON	07	319	I-75	0.3	RESTN REHAB	UT	NH			200,000
RUSSELL	08	117.01	US-127	7	RESTN REHAB	CN	NH	6,264,000		
BOYD	09	261	US-23	8.8	PE & ENVIR	DN	NH		1,000,000	
MASON	09	207	US62/68	1.46	BRDG REPLCMT	RW	NH	3,900,000		
MASON	09	207	US62/68	1.46	BRDG REPLCMT	UT	NH	400,000		
MASON	09	207	US62/68	1.46	BRDG REPLCMT	CN	NH			24,000,000
MASON	09	207.01	US62/68	2.37	BRDG REPLCMT	RW	NH	660,000		
MASON	09	207.01	US62/68	2.37	BRDG REPLCMT	UT	NH	400,000		
MASON	09	207.01	US62/68	2.37	BRDG REPLCMT	CN	NH		13,000,000	

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Cabinet/Function: **Transportation**
Agency: **Highway**
Unit: **Construction**

County	District	Item No.	Route	Length	Type of Work	Phase	Funding	FY 1991-92	FY 1992-93	FY 1993-94
NICHOLAS	09	115	US-68	5.8	MAJOR WIDENING	RW	NH		3,000,000	
NICHOLAS	09	115	US-68	5.8	MAJOR WIDENING	UT	NH		700,000	
BREATHITT	10	285	KY-15	6.2	MAJOR WIDENING	DN	NH		1,700,000	
PERRY	10	269	KY-15	3.1	MAJOR WIDENING	RW	NH			4,784,000
PERRY	10	269	KY-15	3.1	MAJOR WIDENING	UT	NH			902,000
PERRY	10	269.01	KY-15	4.2	MAJOR WIDENING	DN	NH	250,000		
PERRY	10	269.01	KY-15	4.2	MAJOR WIDENING	RW	NH			8,547,000
PERRY	10	269.01	KY-15	4.2	MAJOR WIDENING	UT	NH			628,000
WOLFE	10	287	KY-15		SCOPING STUDY	DN	NH	250,000		
Z(VARIOUS)	99	100	VARIOUS		BRDG REHAB	CN	NH	300,000		
Z(VARIOUS)	99	146	VARIOUS		SAFETY	CN	NH		2,000,000	
Z(VARIOUS)	99	147	VARIOUS		SAFETY	CN	NH			1,500,000
Z(VARIOUS)	99	180	VARIOUS		RESTN REHAB	CN	NH		2,500,000	
					Total			**55,588,000**	**67,550,000**	**68,305,000**
					Federal Railroad Seperation					
JEFFERSON	05	989	KY-1819		MAJOR WIDENING	CN	RRS	2,864,000		
					Federal Secondary					
OHIO	02	159	US-231	3.1	MAJOR WIDENING	RW	S	2,200,000		
OHIO	02	159	US-231	3.1	MAJOR WIDENING	UT	S	1,545,000		
					Total			**3,745,000**		
					Federal Safety					
GRAVES	01	174	KY-131	0.2	SAFETY	DN	SAF	50,000		
GRAVES	01	174	KY-131	0.2	SAFETY	RW	SAF			50,000
GRAVES	01	174	KY-131	0.2	SAFETY	UT	SAF			152,000
MCCRACKEN	01	175	KY-450	2.18	SAFETY	DN	SAF	50,000		
MCCRACKEN	01	175	KY-450	2.18	SAFETY	RW	SAF			50,000
DAVIESS	02	205			RAIL SEPARATION	DN	SAF	600,000		

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Unit: Construction

County	District	Item No.	Route	Length	Type of Work	Phase	Funding	FY 1991-92	FY 1992-93	FY 1993-94
MUHLENBERG	02	186	US-62	0.1	SAFETY	DN	SAF	50,000		
MUHLENBERG	02	296	KY-181		SAFETY	DN	SAF	75,000		
MUHLENBERG	02	296	KY-181		SAFETY	RW	SAF		100,000	
MUHLENBERG	02	296	KY-181		SAFETY	UT	SAF		50,000	
MUHLENBERG	02	296	KY-181		SAFETY	CN	SAF			175,000
UNION	02	188	US-60	0.1	SAFETY	DN	SAF	50,000		
UNION	02	188	US-60	0.1	SAFETY	UT	SAF			40,000
WARREN	03	188	US-31W	0.18	SAFETY	RW	SAF	37,000		
WARREN	03	188	US-31W	0.18	SAFETY	CN	SAF	350,000		
HARDIN	04	180	KY-3005	0.2	SAFETY	DN	SAF	50,000		
HARDIN	04	180	KY-3005	0.2	SAFETY	CN	SAF			100,000
MARION	04	179	KY-429	0.1	SAFETY	DN	SAF	50,000		
BULLITT	05	987	KY-44		RAIL SEPARATION	DN	SAF	300,000		
BULLITT	05	987	KY-44		RAIL SEPARATION	RW	SAF			300,000
BULLITT	05	987	KY-44		RAIL SEPARATION	UT	SAF			100,000
KENTON	06	181	KY-17		SAFETY	RW	SAF		150,000	
KENTON	06	181	KY-17		SAFETY	UT	SAF		100,000	
KENTON	06	181	KY-17		SAFETY	CN	SAF			170,000
FAYETTE	07	308	US-60	0.33	SAFETY	DN	SAF	60,000		
JESSAMINE	07	204	US-68		SAFETY	RW	SAF	135,000		
JESSAMINE	07	204	US-68		SAFETY	UT	SAF	70,000		
JESSAMINE	07	204	US-68		SAFETY	CN	SAF		400,000	
JESSAMINE	07	305	KY-3375	0.64	RAIL SEPARATION	DN	SAF	500,000		
MADISON	07	161	KY-52		SAFETY	CN	SAF	503,000		
MADISON	07	307	US-25	0.2	SAFETY	DN	SAF	40,000		
MADISON	07	307	US-25	0.2	SAFETY	CN	SAF			100,000
BREATHITT	10	112	KY-476	0.12	SAFETY	DN	SAF	40,000		
BREATHITT	10	112	KY-476	0.12	SAFETY	RW	SAF			60,000
BREATHITT	10	112	KY-476	0.12	SAFETY	UT	SAF			50,000
LEE	10	274	KY-52		RAIL SEPARATION	DN	SAF	300,000		
LEE	10	274	KY-52		RAIL SEPARATION	RW	SAF			1,400,000
LEE	10	274	KY-52		RAIL SEPARATION	UT	SAF			200,000

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County	District	Item No.	Route	Length	Type of Work	Phase	Funding	FY 1991-92	FY 1992-93	FY 1993-94
WOLFE	10	111	KY-15	0.75	SAFETY	DN	SAF	50,000		
WOLFE	10	111	KY-15	0.75	SAFETY	UT	SAF			75,000
LAUREL	11	130	KY-490	0.1	SAFETY	DN	SAF	40,000		
LAUREL	11	130	KY-490	0.1	SAFETY	RW	SAF			75,000
LAUREL	11	132	US-25E	0.1	SAFETY	DN	SAF	35,000		
LAUREL	11	132	US-25E	0.1	SAFETY	CN	SAF		100,000	
FLOYD	12	130	US-23	5	SAFETY	CN	SAF	172,000		
Z(VARIOUS)	99	46	VARIOUS		RR PROTECTIVE DEVICES	CN	SAF	3,000,000		
Z(VARIOUS)	99	47	VARIOUS		RR PROTECTIVE DEVICES	CN	SAF		2,000,000	
Z(VARIOUS)	99	48	VARIOUS		RR PROTECTIVE DEVICES	CN	SAF			2,000,000
Z(VARIOUS)	99	131	VARIOUS		SAFETY	CN	SAF			2,000,000
Z(VARIOUS)	99	137	VARIOUS		SAFETY	CN	SAF		6,500,000	
Z(VARIOUS)	99	138	VARIOUS		SAFETY	CN	SAF			2,700,000
Z(VARIOUS)	99	143	VARIOUS		SAFETY	DN	SAF		300,000	
Z(VARIOUS)	99	188	VARIOUS		SAFETY	CN	SAF	1,100,000		
					Total			**7,707,000**	**9,700,000**	**9,797,000**
					Federal Surface Transportation- Louisville					
JEFFERSON	05	28.1	KY-1447	1	MAJOR WIDENING	RW	SLO		1,400,000	
JEFFERSON	05	28.1	KY-1447	1	MAJOR WIDENING	UT	SLO			750,000
JEFFERSON	05	28.2	KY-1447	0.5	MAJOR WIDENING	RW	SLO		2,100,000	
JEFFERSON	05	28.2	KY-1447	0.5	MAJOR WIDENING	UT	SLO			450,000
JEFFERSON	05	76		0.66	NEW ROUTE	CN	SLO			6,725,000
JEFFERSON	05	78		2.34	MAJOR WIDENING	CN	SLO			6,270,000
JEFFERSON	05	91.03		0.9	MAJOR WIDENING	RW	SLO			900,000
JEFFERSON	05	91.03		0.9	MAJOR WIDENING	UT	SLO			125,000
JEFFERSON	05	212.5	KY-1934	2.6	NEW ROUTE	DN	SLO		1,300,000	
JEFFERSON	05	247	KY-1450	3.4	MAJOR WIDENING	DN	SLO			500,000
JEFFERSON	05	285.01		1.5	NEW ROUTE	RW	SLO			3,200,000
JEFFERSON	05	285.01		1.5	NEW ROUTE	UT	SLO			800,000
JEFFERSON	05	289	KY-1447	0.9	MAJOR WIDENING	DN	SLO	100,000		

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County	District	Item No.	Route	Length	Type of Work	Phase	Funding	FY 1991-92	FY 1992-93	FY 1993-94
JEFFERSON	05	289	KY-1447	0.9	MAJOR WIDENING	RW	SLO			1,500,000
JEFFERSON	05	289	KY-1447	0.9	MAJOR WIDENING	UT	SLO			300,000
JEFFERSON	05	322		3.3	NEW ROUTE	DN	SLO			1,000,000
JEFFERSON	05	325	KY-1447	2.5	PE & ENVIR	DN	SLO		500,000	
					Total			**100,000**	**5,300,000**	**22,520,000**
					Federal Surface Transportation-Lexington					
FAYETTE	07	19	KY-418	2.6	MAJOR WIDENING	DN	SLX	1,000,000		
FAYETTE	07	77.02		1.9	MAJOR WIDENING	UT	SLX			650,000
FAYETTE	07	128.01	US-68	2	MAJOR WIDENING	DN	SLX	700,000		
FAYETTE	07	241	KY-57	0.93	MAJOR WIDENING	RW	SLX	600,000		
FAYETTE	07	241	KY-57	0.93	MAJOR WIDENING	UT	SLX	400,000		
FAYETTE	07	997	US-25	2.4	MAJOR WIDENING	CN	SLX		6,300,000	
					Total			**2,700,000**	**6,300,000**	**650,000**
					Federal Surface Transportation-Northern Kentucky					
BOONE	06	237	KY-842	1.14	MAJOR WIDENING	DN	SNK	250,000		
CAMPBELL	06	139		0.3	RESTN REHAB	RW	SNK			1,000,000
CAMPBELL	06	139		0.3	RESTN REHAB	UT	SNK			750,000
KENTON	06	66		0.331	NEW ROUTE	CN	SNK	3,000,000		
KENTON	06	71	KY-1303	8.7	PE & ENVIR	DN	SNK	1,000,000		
KENTON	06	71.01	KY-1303	1	RELOCATION	DN	SNK		250,000	
KENTON	06	71.01	KY-1303	1	RELOCATION	RW	SNK			1,500,000
KENTON	06	71.01	KY-1303	1	RELOCATION	UT	SNK			350,000
KENTON	06	175	KY-371	0.4	MAJOR WIDENING	DN	SNK		75,000	
KENTON	06	176	KY-8	3	SAFETY	RW	SNK		100,000	
KENTON	06	176	KY-8	3	SAFETY	UT	SNK		50,000	
KENTON	06	176	KY-8	3	SAFETY	CN	SNK			500,000
KENTON	06	273	KY-1120	1	MINOR WIDENING	DN	SNK	500,000		

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					Total			**4,750,000**	**475,000**	**4,100,000**
					State Construction					
BALLARD	01	264	US-51	0.3	SAFETY	RW	SP			241,000
BALLARD	01	264	US-51	0.3	SAFETY	UT	SP			105,000
CALLOWAY	01	293.02	KY-94		SAFETY	CN	SP		1,075,000	
CALLOWAY	01	298	KY-94		SAFETY	CN	SP	21,000		
GRAVES	01	150	KY-121	3.06	NEW ROUTE	RW	SP		2,384,000	
GRAVES	01	150	KY-121	3.06	NEW ROUTE	UT	SP		547,000	
MCCRACKEN	01	262	US-60	0.4	SAFETY	UT	SP		245,000	
MCCRACKEN	01	262	US-60	0.4	SAFETY	CN	SP			500,000
MCCRACKEN	01	263	US-62	0.4	SAFETY	UT	SP		100,000	
MCCRACKEN	01	263	US-62	0.4	SAFETY	CN	SP			60,000
MCCRACKEN	01	290.01	US-60	3.8	RELOCATION	RW	SP		3,620,000	
MCCRACKEN	01	290.01	US-60	3.8	RELOCATION	UT	SP			1,700,000
CALDWELL	02	363	KY-293		NEW INTERCHANGE	CN	SP		1,214,000	
CALDWELL	02	363.5	KY-293		NEW INTERCHANGE	DN	SP		250,000	
CHRISTIAN	02	113.02		1.9	NEW ROUTE	CN	SP			2,800,000
DAVIESS	02	297	US-60	8	MINOR WIDENING	CN	SP	2,200,000		
DAVIESS	02	298		1.4	NEW ROUTE	CN	SP	1,625,000		
DAVIESS	02	299		8	RESTN REHAB	CN	SP		950,000	
DAVIESS	02	300	KY-54	1.4	RELOCATION	RW	SP		500,000	
DAVIESS	02	300	KY-54	1.4	RELOCATION	UT	SP		392,000	
DAVIESS	02	300	KY-54	1.4	RELOCATION	CN	SP			2,040,000
DAVIESS	02	360.02	KY-56	0.42	MAJOR WIDENING	CN	SP	608,000		
HENDERSON	02	77	US-60	1.8	MAJOR WIDENING	CN	SP			4,975,000
HOPKINS	02	301	KY-85	2.2	MINOR WIDENING	CN	SP		500,000	
OHIO	02	307	KY-69	40	SCOPING STUDY	DN	SP			90,000
WEBSTER	02	290	KY-109	0.1	BRDG REHAB	DN	SP			31,000
BUTLER	03	266	KY-9007		NEW INTERCHANGE	RW	SP		800,000	
BUTLER	03	266	KY-9007		NEW INTERCHANGE	UT	SP		600,000	
MONROE	03	279	KY-100	0.25	SAFETY	RW	SP	93,000		

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Governmental Branch: Executive
Cabinet/Function: Transportation

Agency: Highway
Unit: Construction

County	District	Item No.	Route	Length	Type of Work	Phase	Funding	FY 1991-92	FY 1992-93	FY 1993-94
MONROE	03	279	KY-100	0.25	SAFETY	UT	SP	82,000		
MONROE	03	279	KY-100	0.25	SAFETY	CN	SP			211,000
BRECKINRIDGE	04	280		1	MINOR WIDENING	DN	SP		200,000	
HARDIN	04	117	US-31W	1.5	SAFETY	CN	SP		900,000	
HARDIN	04	118.01	US-31W	0.8	MAJOR WIDENING	CN	SP			3,030,000
HARDIN	04	168.09	KY-313	8.5	NEW ROUTE	CN	SP			20,000,000
HARDIN	04	174	KY-224		MINOR WIDENING	CN	SP		150,000	
HARDIN	04	258	KY-313	0.9	NEW ROUTE	DN	SP	200,000		
HARDIN	04	258	KY-313	0.9	NEW ROUTE	RW	SP		350,000	
HARDIN	04	258	KY-313	0.9	NEW ROUTE	UT	SP			75,000
HARDIN	04	271	KY-9001	0.1	NEW INTERCHANGE	DN	SP			100,000
MARION	04	169	US-68	1.9	MAJOR WIDENING	RW	SP		425,000	
MARION	04	169	US-68	1.9	MAJOR WIDENING	UT	SP		150,000	
MARION	04	169	US-68	1.9	MAJOR WIDENING	CN	SP			2,850,000
MEADE	04	149	US-31W	1.9	SAFETY	DN	SP		15,000	
MEADE	04	149	US-31W	1.9	SAFETY	CN	SP			750,000
NELSON	04	273	US-62	1.2	MINOR WIDENING	CN	SP	470,000		
TAYLOR	04	248		0.38	NEW ROUTE	RW	SP	315,000		
TAYLOR	04	248		0.38	NEW ROUTE	UT	SP	10,000		
TAYLOR	04	248		0.38	NEW ROUTE	CN	SP		40,000	
BULLITT	05	267	KY-1526	1.2	NEW ROUTE	UT	SP		50,000	
BULLITT	05	267	KY-1526	1.2	NEW ROUTE	CN	SP			2,475,000
JEFFERSON	05	108	KY-841		RESTN REHAB	CN	SP	232,000		
JEFFERSON	05	212	KY-1934	2.8	NEW ROUTE	RW	SP	500,000		
JEFFERSON	05	212	KY-1934	2.8	NEW ROUTE	UT	SP	500,000		
JEFFERSON	05	212	KY-1934	2.8	NEW ROUTE	CN	SP		3,500,000	
JEFFERSON	05	255	KY-1931	1.7	MAJOR WIDENING	UT	SP			1,100,000
JEFFERSON	05	260	KY-2050	1.03	MINOR WIDENING	CN	SP		770,000	
JEFFERSON	05	278		0.04	RESTN REHAB	CN	SP	64,000		
JEFFERSON	05	280.01		1.17	NEW ROUTE	CN	SP		2,000,000	
JEFFERSON	05	282.01		1.22	NEW ROUTE	CN	SP	2,500,000		
JEFFERSON	05	285		1.5	NEW ROUTE	DN	SP	1,000,000		

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Unit: Construction

County	District	Item No.	Route	Length	Type of Work	Phase	Funding	FY 1991-92	FY 1992-93	FY 1993-94
JEFFERSON	05	295.02		0.5	NEW ROUTE	CN	SP		3,700,000	
JEFFERSON	05	310	US-60		RESTN REHAB	CN	SP			125,000
OLDHAM	05	171.01	KY-329	0.35	RELOCATION	CN	SP			3,900,000
SHELBY	05	309	US-60		RESTN REHAB	DN	SP			100,000
SPENCER	05	307	KY-2450	1.2	MINOR WIDENING	DN	SP			200,000
BOONE	06	222.01	KY-842	2.225	MAJOR WIDENING	RW	SP		1,000,000	
BOONE	06	222.01	KY-842	2.225	MAJOR WIDENING	UT	SP		1,200,000	
BRACKEN	06	231	KY-19	5	SAFETY	RW	SP	50,000		
BRACKEN	06	231	KY-19	5	SAFETY	CN	SP	1,951,000		
CAMPBELL	06	232	KY-10	2.2	RELOCATION	RW	SP		900,000	
CAMPBELL	06	232	KY-10	2.2	RELOCATION	UT	SP		150,000	
GRANT	06	275.01	US-25		SCOPING STUDY	DN	SP		100,000	
HARRISON	06	119	US-27	3.5	NEW ROUTE	DN	SP			100,000
KENTON	06	219.01		0.45	MINOR WIDENING	RW	SP	200,000		
KENTON	06	219.01		0.45	MINOR WIDENING	CN	SP		750,000	
KENTON	06	271.02			RESTN REHAB	CN	SP		1,219,000	
KENTON	06	291	KY-1072	2.9	MAJOR WIDENING	CN	SP		5,500,000	
ROBERTSON	06	241	US-62		SAFETY	UT	SP	167,000		
ROBERTSON	06	241	US-62		SAFETY	CN	SP		1,015,000	
ROBERTSON	06	242	KY-165		SAFETY	UT	SP	75,000		
ROBERTSON	06	242	KY-165		SAFETY	CN	SP		315,000	
FAYETTE	07	143		0.6	MAJOR WIDENING	RW	SP		2,500,000	
GARRARD	07	316	US-27	0.2	SAFETY	DN	SP		75,000	
GARRARD	07	316	US-27	0.2	SAFETY	RW	SP			50,000
GARRARD	07	316	US-27	0.2	SAFETY	UT	SP			20,000
MERCER	07	300	US-68	0.5	MINOR WIDENING	RW	SP		150,000	
MERCER	07	300	US-68	0.5	MINOR WIDENING	UT	SP		50,000	
SCOTT	07	190	US-62	0.36	BRDG REPLCMT	CN	SP	86,000		
LINCOLN	08	244.02	US-150	4.7	RELOCATION	RW	SP		975,000	
LINCOLN	08	244.02	US-150	4.7	RELOCATION	UT	SP		800,000	
LINCOLN	08	244.03	US-150	1.2	RELOCATION	DN	SP		225,000	
LINCOLN	08	244.03	US-150	1.2	RELOCATION	RW	SP		1,000,000	

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Governmental Branch: **Executive**
Cabinet/Function: **Transportation**
Agency: **Highway**
Unit: **Construction**

County	District	Item No.	Route	Length	Type of Work	Phase	Funding	FY 1991-92	FY 1992-93	FY 1993-94
LINCOLN	08	244.03	US-150	1.2	RELOCATION	UT	SP		1,500,000	
LINCOLN	08	244.05	US-150	4.7	RELOCATION	CN	SP			2,796,000
MCCREARY	08	265	KY-1363		RESTN REHAB	CN	SP	100,000		
PULASKI	08	112.01		3.5	NEW ROUTE	RW	SP		2,850,000	
PULASKI	08	112.01		3.5	NEW ROUTE	UT	SP		830,000	
PULASKI	08	266		0.1	SAFETY	CN	SP		60,000	
GREENUP	09	55	KY-693	2.7	MAJOR WIDENING	CN	SP			9,000,000
GREENUP	09	263	KY-244	1.5	SAFETY	DN	SP			150,000
LEWIS	09	210	KY-1306	0.2	RELOCATION	CN	SP	210,000		
ROWAN	09	250.02	US-60	0.94	NEW ROUTE	CN	SP		2,500,000	
ESTILL	10	273	KY-89	0.1	SAFETY	CN	SP		291,000	
BELL	11	263	US-25E	1	SAFETY	CN	SP		200,000	
CLAY	11	212	US-421	1.42	MINOR WIDENING	RW	SP		813,000	
CLAY	11	212	US-421	1.42	MINOR WIDENING	UT	SP		200,000	
HARLAN	11	56	KY-38	0.8	MINOR WIDENING	DN	SP		125,000	
HARLAN	11	245	KY-38	2.6	MAJOR WIDENING	CN	SP	1,805,000		
JACKSON	11	257	KY-30	1.13	MINOR WIDENING	DN	SP			25,000
KNOX	11	3.01		2.4	NEW ROUTE	RW	SP			475,000
KNOX	11	3.01		2.4	NEW ROUTE	UT	SP			468,000
LESLIE	11	213		13	SCOPING STUDY	DN	SP		100,000	
LESLIE	11	267	US-421	33	SCOPING STUDY	DN	SP			150,000
FLOYD	12	266	KY-122	0.38	SAFETY	RW	SP	100,000		
FLOYD	12	266	KY-122	0.38	SAFETY	UT	SP	50,000		
FLOYD	12	266	KY-122	0.38	SAFETY	CN	SP		1,750,000	
FLOYD	12	713.13	US-23	0.7	RELOCATION	CN	SP		1,000,000	
KNOTT	12	270	KY-160	0.2	SAFETY	DN	SP			75,000
KNOTT	12	272	KY-1393	0.2	SAFETY	DN	SP			100,000
KNOTT	12	273	KY-899	0.6	SAFETY	DN	SP			200,000
KNOTT	12	274	KY-899	0.3	SAFETY	DN	SP			75,000
LAWRENCE	12	265		2.6	NEW ROUTE	CN	SP			3,000,000
PIKE	12	253.01	US-460	1.1	SAFETY	CN	SP		11,000,000	
PIKE	12	341	KY-1469	2.7	MAJOR WIDENING	UT	SP		870,000	

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Unit: Construction

County	District	Item No.	Route	Length	Type of Work	Phase	Funding	FY 1991-92	FY 1992-93	FY 1993-94
CLARK,POWELL	99	144	MT-PKWY	75	SCOPING STUDY	DN	SP		150,000	
HARDIN,GRAYS,(	99	145	WK-PKWY	136	SCOPING STUDY	DN	SP			200,000
Z(VARIOUS)	99	14	VARIOUS		RESTN REHAB	CN	SP		10,000,000	
Z(VARIOUS)	99	15	VARIOUS		RESTN REHAB	CN	SP			10,400,000
Z(VARIOUS)	99	71	VARIOUS		BRDG REPLCMT	CN	SP		6,000,000	
Z(VARIOUS)	99	72	VARIOUS		BRDG REPLCMT	CN	SP			6,000,000
Z(VARIOUS)	99	83	VARIOUS		CONTINGENCY ACCOUNT	CN	SP		33,500,000	
Z(VARIOUS)	99	84	VARIOUS		CONTINGENCY ACCOUNT	CN	SP			30,204,000
					Total			**15,214,000**	**117,090,000**	**110,946,000**
					Federal Surface Transportation-Bridges					
BALLARD	01	1023	US-51	0.1	BRDG REPLCMT	CN	STB	1,700,000		
BALLARD	01	1029	US-60	0.1	BRDG REPLCMT	CN	STB	600,000		
BALLARD	01	1034	US-51	0.8	BRDG REPLCMT	DN	STB			555,000
BALLARD	01	1034.01	US-51		PE & ENVIR	DN	STB	500,000		
BALLARD	01	1066	US-60	0.1	BRDG REPLCMT	DN	STB	85,000		
BALLARD	01	1066	US-60	0.1	BRDG REPLCMT	RW	STB			100,000
BALLARD	01	1066	US-60	0.1	BRDG REPLCMT	UT	STB			130,000
CALLOWAY	01	1032	KY-2075	0.1	BRDG REPLCMT	RW	STB		30,000	
CALLOWAY	01	1032	KY-2075	0.1	BRDG REPLCMT	UT	STB		250,000	
CARLISLE	01	1083	US-51	0.1	BRDG REPLCMT	DN	STB		50,000	
CRITTENDEN	01	1031	US-641	0.5	BRDG REPLCMT	RW	STB	50,000		
CRITTENDEN	01	1031	US-641	0.5	BRDG REPLCMT	UT	STB	200,000		
CRITTENDEN	01	1031	US-641	0.5	BRDG REPLCMT	CN	STB			750,000
GRAVES	01	1033	KY-97	0.1	BRDG REPLCMT	DN	STB	60,000		
GRAVES	01	1033	KY-97	0.1	BRDG REPLCMT	RW	STB			50,000
GRAVES	01	1033	KY-97	0.1	BRDG REPLCMT	UT	STB			60,000
GRAVES	01	1067	US-45	0.1	BRDG REPLCMT	DN	STB	200,000		
GRAVES	01	1067	US-45	0.1	BRDG REPLCMT	RW	STB			1,000,000
GRAVES	01	1067	US-45	0.1	BRDG REPLCMT	UT	STB			400,000
GRAVES	01	1081	US-45	0.1	BRDG REPLCMT	DN	STB	300,000		

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County	District	Item No.	Route	Length	Type of Work	Phase	Funding	FY 1991-92	FY 1992-93	FY 1993-94
GRAVES	01	1090	KY-381	0.1	BRDG REPLCMT	DN	STB		70,000	
GRAVES	01	1091	KY-1241	0.1	BRDG REPLCMT	DN	STB			65,000
HICKMAN	01	1107	KY-780	0.1	BRDG REPLCMT	DN	STB		50,000	
LIVINGSTON	01	1068	US-60	0.1	BRDG REPLCMT	DN	STB	70,000		
LIVINGSTON	01	1089	KY-70	0.1	BRDG REPLCMT	DN	STB			50,000
LIVINGSTON	01	1094	KY-70	0.1	BRDG REPLCMT	DN	STB			50,000
MARSHALL	01	1070	US-641	0.1	BRDG REPLCMT	DN	STB		50,000	
MCCRACKEN	01	1069	US-62	0.1	BRDG REPLCMT	DN	STB	75,000		
MCCRACKEN	01	1069	US-62	0.1	BRDG REPLCMT	RW	STB			150,000
MCCRACKEN	01	1069	US-62	0.1	BRDG REPLCMT	UT	STB			175,000
MCCRACKEN	01	1080	US-62	0.1	BRDG REPLCMT	DN	STB	50,000		
MCCRACKEN	01	1099	KY-2411	0.1	BRDG REPLCMT	DN	STB		75,000	
CALDWELL	02	1018	KY-91	0.1	BRDG REPLCMT	DN	STB	50,000		
CALDWELL	02	1018	KY-91	0.1	BRDG REPLCMT	RW	STB			50,000
CALDWELL	02	1018	KY-91	0.1	BRDG REPLCMT	UT	STB			40,000
DAVIESS	02	1020	KY-298	0.1	BRDG REPLCMT	DN	STB		50,000	
DAVIESS	02	1021	KY-298	0.1	BRDG REPLCMT	DN	STB		50,000	
DAVIESS	02	1022	KY-298	0.1	BRDG REPLCMT	DN	STB		50,000	
DAVIESS	02	1023	KY-298	0.1	BRDG REPCLMT	DN	STB		50,000	
HENDERSON	02	1000	US-60	0.46	BRDG REPLCMT	RW	STB	300,000		
HENDERSON	02	1000	US-60	0.46	BRDG REPLCMT	UT	STB	269,000		
HENDERSON	02	1000	US-60	0.46	BRDG REPLCMT	CN	STB		1,855,000	
HENDERSON	02	1025	US-60	0.1	BRDG REPLCMT	DN	STB	50,000		
HOPKINS	02	1009	US-62		BRDG REPLCMT	DN	STB	83,000		
HOPKINS	02	1009	US-62		BRDG REPLCMT	RW	STB			70,000
HOPKINS	02	1009	US-62		BRDG REPLCMT	UT	STB			86,000
MCLEAN	02	1006	KY-81	0.3	BRDG REPLCMT	RW	STB		1,350,000	
MCLEAN	02	1006	KY-81	0.3	BRDG REPLCMT	UT	STB		320,000	
MCLEAN	02	1007	US-431	0.3	BRDG REHAB	CN	STB			1,950,000
MCLEAN	02	1019	KY-85	0.1	BRDG REPLCMT	DN	STB		50,000	
MUHLENBERG	02	1001	US-62	0.1	BRDG REPLCMT	RW	STB	20,000		
MUHLENBERG	02	1001	US-62	0.1	BRDG REPLCMT	UT	STB	45,000		

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County	District	Item No.	Route	Length	Type of Work	Phase	Funding	FY 1991-92	FY 1992-93	FY 1993-94
MUHLENBERG	02	1001	US-62	0.1	BRDG REPLCMT	CN	STB			250,000
OHIO	02	1002	US-231	0.1	BRDG REPLCMT	DN	STB	50,000		
OHIO	02	1002	US-231	0.1	BRDG REPLCMT	RW	STB			50,000
OHIO	02	1002	US-231	0.1	BRDG REPLCMT	UT	STB			75,000
UNION	02	1026	KY-56	0.1	BRDG REPCLMT	DN	STB		50,000	
MONROE	03	1002	KY-63	0.1	BRDG REPLCMT	RW	STB		50,000	
MONROE	03	1002	KY-63	0.1	BRDG REPLCMT	UT	STB		60,000	
SIMPSON	03	1025	KY-100	0.1	BRDG REPLCMT	DN	STB	50,000		
SIMPSON	03	1025	KY-100	0.1	BRDG REPLCMT	RW	STB			50,000
SIMPSON	03	1025	KY-100	0.1	BRDG REPLCMT	UT	STB			50,000
GREEN	04	1019	KY-61	0.1	BRDG REPLCMT	DN	STB	50,000		
GREEN	04	1021	KY-61	0.1	BRDG REPLCMT	DN	STB	50,000		
HARDIN	04	1000	KY-447	0.1	BRDG REPLCMT	CN	STB	375,000		
HARDIN	04	1018	KY-144	0.1	BRDG REPLCMT	DN	STB	50,000		
HART	04	1015	US-31E		BRDG REHAB	CN	STB		3,000,000	
NELSON	04	1002	KY-55	0.1	BRDG REPLCMT	RW	STB		50,000	
NELSON	04	1002	KY-55	0.1	BRDG REPLCMT	UT	STB		50,000	
WASHINGTON	04	108	KY-152	0.1	BRDG REPLCMT	CN	STB	500,000		
HENRY	05	128	US-421	0.1	BRDG REPLCMT	RW	STB		50,000	
HENRY	05	128	US-421	0.1	BRDG REPLCMT	UT	STB		40,000	
TRIMBLE	05	135.5	US-421		PE & ENVIR	DN	STB	1,000,000		
BOONE	06	133	US-25	0.1	BRDG REPLCMT	CN	STB		2,490,000	
HARRISON	06	1010	US-27	0.1	BRDG REPLCMT	DN	STB	85,000		
HARRISON	06	1010	US-27	0.1	BRDG REPLCMT	RW	STB			100,000
HARRISON	06	1010	US-27	0.1	BRDG REPLCMT	UT	STB			100,000
KENTON	06	132	KY-1829	0.1	BRDG REPLCMT	CN	STB		850,000	
OWEN	06	130	US-127	0.1	BRDG REPLCMT	CN	STB	1,207,000		
ANDERSON	07	1001	KY-44	0.1	BRDG REPLCMT	CN	STB		145,000	
ANDERSON	07	1007	KY-44	0.1	BRDG REPLCMT	DN	STB	40,000		
ANDERSON	07	1007	KY-44	0.1	BRDG REPLCMT	CN	STB			245,000
ANDERSON	07	1008	US-62	0.1	BRDG REPLCMT	DN	STB	60,000		
ANDERSON	07	1008	US-62	0.1	BRDG REPLCMT	RW	STB			65,000

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ANDERSON	07	1008	US-62	0.1	BRDG REPLCMT	UT	STB			50,000
BOURBON	07	1003	US-460	0.1	BRDG REPLCMT	DN	STB	60,000		
BOURBON	07	1003	US-460	0.1	BRDG REPLCMT	RW	STB			100,000
BOURBON	07	1003	US-460	0.1	BRDG REPLCMT	UT	STB			75,000
BOYLE	07	1015	KY-33	0.1	BRDG REPLCMT	DN	STB	50,000		
BOYLE	07	1015	KY-33	0.1	BRDG REPLCMT	RW	STB			50,000
BOYLE	07	1015	KY-33	0.1	BRDG REPLCMT	UT	STB			40,000
CLARK	07	132	KY-627	0.198	BRDG REPLCMT	CN	STB	374,000		
CLARK	07	148	KY-15	0.1	BRDG REPLCMT	CN	STB		80,000	
CLARK	07	149	KY-15	0.1	BRDG REPLCMT	CN	STB		409,000	
CLARK	07	150	KY-15	0.1	BRDG REPLCMT	CN	STB	342,000		
CLARK	07	1004	US-60	0.1	BRDG REPLCMT	RW	STB	25,000		
CLARK	07	1004	US-60	0.1	BRDG REPLCMT	UT	STB	15,000		
CLARK	07	1004	US-60	0.1	BRDG REPLCMT	CN	STB			225,000
CLARK	07	1005	US-60	0.1	BRDG REPLCMT	RW	STB	50,000		
CLARK	07	1005	US-60	0.1	BRDG REPLCMT	UT	STB	15,000		
CLARK	07	1005	US-60	0.1	BRDG REPLCMT	CN	STB			350,000
CLARK	07	1006	US-60	0.1	BRDG REPLCMT	RW	STB	55,000		
CLARK	07	1006	US-60	0.1	BRDG REPLCMT	UT	STB	50,000		
CLARK	07	1006	US-60	0.1	BRDG REPLCMT	CN	STB			385,000
FAYETTE	07	136	KY-353	0.217	BRDG REPLCMT	CN	STB	298,000		
FAYETTE	07	153	KY-1681	0.1	BRDG REPLCMT	RW	STB		75,000	
FAYETTE	07	153	KY-1681	0.1	BRDG REPLCMT	UT	STB		40,000	
FAYETTE	07	154	KY-1681	0.1	BRDG REPLCMT	RW	STB		107,000	
FAYETTE	07	154	KY-1681	0.1	BRDG REPLCMT	UT	STB		40,000	
JESSAMINE	07	1022	KY-3433	0.1	BRDG REPLCMT	DN	STB		250,000	
JESSAMINE	07	1030	KY-29	0.1	BRDG REPLCMT	DN	STB	50,000		
MADISON	07	152	KY-21	0.1	BRDG REPLCMT	CN	STB		206,000	
MADISON	07	1002	US-421	0.1	BRDG REPLCMT	DN	STB	40,000		
MADISON	07	1002	US-421	0.1	BRDG REPLCMT	RW	STB			50,000
MADISON	07	1002	US-421	0.1	BRDG REPLCMT	UT	STB			40,000
MADISON	07	1063	KY-595	0.1	BRDG REPCLMT	DN	STB		50,000	

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MERCER	07	1023	KY-342	0.1	BRDG REPLCMT	DN	STB		50,000	
MERCER	07	1036	KY-33	0.1	BRDG REPLCMT	DN	STB		100,000	
MERCER	07	1047	KY-1989	0.1	BRDG REPLCMT	DN	STB		50,000	
MONTGOMERY	07	131	US-460	0.15	BRDG REPLCMT	CN	STB	277,000		
MONTGOMERY	07	1017	US-460	0.1	BRDG REPLCMT	DN	STB	70,000		
MONTGOMERY	07	1017	US-460	0.1	BRDG REPLCMT	RW	STB			100,000
MONTGOMERY	07	1017	US-460	0.1	BRDG REPLCMT	UT	STB			75,000
SCOTT	07	159	US-25	0.1	BRDG REPLCMT	DN	STB	100,000		
SCOTT	07	159	US-25	0.1	BRDG REPLCMT	RW	STB			150,000
SCOTT	07	159	US-25	0.1	BRDG REPLCMT	UT	STB			40,000
SCOTT	07	1031	US-25	0.1	BRDG REPLCMT	DN	STB	50,000		
SCOTT	07	1031	US-25	0.1	BRDG REPLCMT	RW	STB			80,000
SCOTT	07	1031	US-25	0.1	BRDG REPLCMT	UT	STB			50,000
LINCOLN	08	1004	US-150	0.1	BRDG REHAB	DN	STB			100,000
MCCREARY	08	1001	KY-1651	0.1	BRDG REPLCMT	DN	STB	100,000		
MCCREARY	08	1005	KY-92	0.1	BRDG REPLCMT	DN	STB	100,000		
MCCREARY	08	1005	KY-92	0.1	BRDG REPLCMT	RW	STB			125,000
MCCREARY	08	1005	KY-92	0.1	BRDG REPLCMT	UT	STB			85,000
BATH	09	1003	US-60	0.1	BRDG REPLCMT	DN	STB	50,000		
BATH	09	1003	US-60	0.1	BRDG REPLCMT	RW	STB			50,000
BATH	09	1004	US-60	0.1	BRDG REPLCMT	DN	STB	45,000		
BATH	09	1004	US-60	0.1	BRDG REPLCMT	RW	STB			60,000
BATH	09	1004	US-60	0.1	BRDG REPLCMT	UT	STB			70,000
BATH	09	1005	US-60	0.1	BRDG REPLCMT	DN	STB	60,000		
BATH	09	1005	US-60	0.1	BRDG REPLCMT	RW	STB			60,000
BATH	09	1005	US-60	0.1	BRDG REPLCMT	UT	STB			50,000
BATH	09	1006	US-60	0.1	BRDG REPLCMT	RW	STB	85,000		
BATH	09	1006	US-60	0.1	BRDG REPLCMT	UT	STB	50,000		
BOYD	09	1002	KY-3	0.1	BRDG REPLCMT	RW	STB		60,000	
BOYD	09	1002	KY-3	0.1	BRDG REPLCMT	UT	STB		50,000	
CARTER	09	1016	US-60	0.1	BRDG REPLCMT	DN	STB	50,000		
ELLIOTT	09	117	KY-7	0.25	BRDG REPLCMT	RW	STB		60,000	

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ELLIOTT	09	117	KY-7	0.25	BRDG REPLCMT	UT	STB		50,000	
ELLIOTT	09	1022	KY-32	0.1	BRDG REPLCMT	DN	STB		90,000	
FLEMING	09	1007	KY-57	0.1	BRDG REPLCMT	DN	STB	65,000		
FLEMING	09	1007	KY-57	0.1	BRDG REPLCMT	RW	STB			60,000
FLEMING	09	1007	KY-57	0.1	BRDG REPLCMT	UT	STB			65,000
GREENUP	09	1001	KY-827	0.1	BRDG REPLCMT	DN	STB	50,000		
GREENUP	09	1001	KY-827	0.1	BRDG REPLCMT	RW	STB			55,000
GREENUP	09	1001	KY-827	0.1	BRDG REPLCMT	UT	STB			45,000
MASON	09	1008	KY-2513	0.1	BRDG REPLCMT	DN	STB	50,000		
MASON	09	1008	KY-2513	0.1	BRDG REPLCMT	RW	STB			50,000
MASON	09	1008	KY-2513	0.1	BRDG REPLCMT	UT	STB			150,000
ROWAN	09	1018	KY-2342	0.1	BRDG REPLCMT	DN	STB		50,000	
ROWAN	09	1019	US-60	0.1	BRDG REPLCMT	DN	STB	50,000		
ROWAN	09	1019	US-60	0.1	BRDG REPLCMT	RW	STB			85,000
ROWAN	09	1019	US-60	0.1	BRDG REPLCMT	UT	STB			120,000
ROWAN	09	1020	KY-32	0.1	BRDG REPLCMT	DN	STB		50,000	
ROWAN	09	1021	KY-32	0.1	BRDG REPLCMT	DN	STB		60,000	
BREATHITT	10	1017	KY-476	0.1	BRDG REPLCMT	DN	STB	100,000		
BREATHITT	10	1017	KY-476	0.1	BRDG REPLCMT	RW	STB			150,000
BREATHITT	10	1017	KY-476	0.1	BRDG REPLCMT	UT	STB			100,000
MAGOFFIN	10	1023	KY-1437	0.1	BRDG REPLCMT	DN	STB			50,000
MAGOFFIN	10	1024	KY-1437	0.1	BRDG REPLCMT	DN	STB			50,000
PERRY	10	106	KY-476	0.1	BRDG REPLCMT	CN	STB		1,501,000	
PERRY	10	106.01	KY-550	0.1	BRDG REPLCMT	CN	STB		536,000	
PERRY	10	1000	KY-550	0.1	BRDG REPLCMT	RW	STB			125,000
PERRY	10	1000	KY-550	0.1	BRDG REPLCMT	UT	STB			50,000
PERRY	10	1003	KY-550	0.1	BRDG REPLCMT	DN	STB	100,000		
PERRY	10	1003	KY-550	0.1	BRDG REPLCMT	RW	STB			200,000
PERRY	10	1003	KY-550	0.1	BRDG REPLCMT	UT	STB			50,000
PERRY	10	1018	KY-80	0.1	BRDG REPLCMT	DN	STB	65,000		
PERRY	10	1021	KY-15X	0.1	BRDG REPLCMT	DN	STB		50,000	
POWELL	10	1001	KY-11	0.1	BRDG REPLCMT	RW	STB			50,000

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POWELL	10	1001	KY-11	0.1	BRDG REPLCMT	UT	STB			50,000
WOLFE	10	1002	KY-205	0.1	BRDG REPLCMT	DN	STB	75,000		
WOLFE	10	1002	KY-205	0.1	BRDG REPLCMT	RW	STB			50,000
WOLFE	10	1002	KY-205	0.1	BRDG REPLCMT	UT	STB			20,000
WOLFE	10	1004	KY-205	0.1	BRDG REPLCMT	DN	STB	75,000		
WOLFE	10	1004	KY-205	0.1	BRDG REPLCMT	RW	STB			50,000
WOLFE	10	1004	KY-205	0.1	BRDG REPLCMT	UT	STB			40,000
WOLFE	10	1005	KY-205	0.1	BRDG REPLCMT	DN	STB	75,000		
WOLFE	10	1005	KY-205	0.1	BRDG REPLCMT	RW	STB			50,000
WOLFE	10	1005	KY-205	0.1	BRDG REPLCMT	UT	STB			40,000
WOLFE	10	1006	KY-205	0.1	BRDG REPLCMT	DN	STB	75,000		
WOLFE	10	1006	KY-205	0.1	BRDG REPLCMT	RW	STB			50,000
WOLFE	10	1006	KY-205	0.1	BRDG REPLCMT	UT	STB			40,000
WOLFE	10	1007	KY-205	0.1	BRDG REPLCMT	DN	STB	100,000		
WOLFE	10	1007	KY-205	0.1	BRDG REPLCMT	RW	STB			100,000
WOLFE	10	1007	KY-205	0.1	BRDG REPLCMT	UT	STB			40,000
WOLFE	10	1019	KY-191	0.1	BRDG REPLCMT	DN	STB		80,000	
BELL	11	106	KY-441	0.1	BRDG REPLCMT	CN	STB		475,000	
HARLAN	11	1011	KY-160	0.1	BRDG REPLCMT	DN	STB			200,000
HARLAN	11	1018	KY-38	0.1	BRDG REPLCMT	DN	STB			60,000
JACKSON	11	1020	KY-89	0.1	BRDG REHAB	DN	STB			50,000
KNOX	11	1014	KY-830	0.1	BRDG REPLCMT	DN	STB			50,000
LAUREL	11	1015	KY-1956	0.1	BRDG REPLCMT	DN	STB			150,000
LESLIE	11	1012	KY-80	0.1	BRDG REPLCMT	DN	STB	60,000		
LESLIE	11	1013	KY-80	0.1	BRDG REPLCMT	DN	STB	60,000		
WHITLEY	11	107	KY-92	0.1	BRDG REPLCMT	CN	STB	220,000		
WHITLEY	11	1000	US-25W	0.1	BRDG REPLCMT	CN	STB	272,000		
WHITLEY	11	1023	KY-904	0.1	BRDG REPLCMT	DN	STB			200,000
JOHNSON	12	120	KY-40	0.1	BRDG REPLCMT	RW	STB			50,000
JOHNSON	12	120	KY-40	0.1	BRDG REPLCMT	UT	STB			50,000
JOHNSON	12	1005	KY-40	0.1	BRDG REPLCMT	RW	STB			60,000
JOHNSON	12	1005	KY-40	0.1	BRDG REPLCMT	UT	STB			40,000

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JOHNSON	12	1026	KY-40	0.1	BRDG REPLCMT	DN	STB		75,000	
PIKE	12	1003	KY-319	0.1	BRDG REPLCMT	RW	STB	291,000		
PIKE	12	1003	KY-319	0.1	BRDG REPLCMT	UT	STB	85,000		
PIKE	12	1003	KY-319	0.1	BRDG REPLCMT	CN	STB		363,000	
Z(VARIOUS)	99	201	VARIOUS		BRDG REPLCMT	CN	STB			4,000,000
					Total			**12,553,000**	**16,192,000**	**16,071,000**
					Federal Surface Transportation-Any Area					
CALLOWAY	01	176	KY-94	0.1	SAFETY	DN	STP		100,000	
CALLOWAY	01	177	KY-94	0.1	SAFETY	DN	STP		100,000	
FULTON	01	22	US-51	0.2	SAFETY	DN	STP		75,000	
HICKMAN	01	178	US-51	1.8	SAFETY	DN	STP		400,000	
MCCRACKEN	01	260	US-62	0.7	MINOR WIDENING	DN	STP		500,000	
MCCRACKEN	01	623.01	KY-1954	1.56	RELOCATION	CN	STP		3,308,000	
MCCRACKEN	01	623.02	KY-1954	1.28	RELOCATION	RW	STP		5,776,000	
MCCRACKEN	01	623.02	KY-1954	1.28	RELOCATION	UT	STP		2,150,000	
CALDWELL	02	71.01	KY-91	0.5	MAJOR WIDENING	DN	STP		200,000	
CHRISTIAN	02	72	KY-380	1	MAJOR WIDENING	CN	STP		2,400,000	
CHRISTIAN	02	261	US-41	1	MAJOR WIDENING	DN	STP	100,000		
CHRISTIAN	02	261	US-41	1	MAJOR WIDENING	RW	STP			315,000
CHRISTIAN	02	261	US-41	1	MAJOR WIDENING	UT	STP			250,000
CHRISTIAN	02	288	KY-380	0.1	SAFETY	DN	STP	150,000		
CHRISTIAN	02	288	KY-380	0.1	SAFETY	RW	STP			70,000
CHRISTIAN	02	288	KY-380	0.1	SAFETY	UT	STP			60,000
DAVIESS	02	73		1.3	MAJOR WIDENING	CN	STP			6,250,000
DAVIESS	02	73.01		1	MAJOR WIDENING	DN	STP	150,000		
DAVIESS	02	73.01		1	MAJOR WIDENING	RW	STP			1,450,000
DAVIESS	02	73.01		1	MAJOR WIDENING	UT	STP			480,000
DAVIESS	02	184		0.3	NEW ROUTE	DN	STP	100,000		
DAVIESS	02	200	KY-54	0.2	MAJOR WIDENING	DN	STP		100,000	
DAVIESS	02	305		0.2	MINOR WIDENING	DN	STP			50,000

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HOPKINS	02	259.03	US-41	3	NEW ROUTE	CN	STP		3,100,000	
HOPKINS	02	289	KY-1751	1.1	MAJOR WIDENING	DN	STP		200,000	
MCLEAN	02	969.01	KY-85	1.49	NEW ROUTE	CN	STP		1,700,000	
OHIO	02	159.1	US-231	3.1	MAJOR WIDENING	CN	STP			9,237,000
UNION	02	294	US-60	4.3	NEW ROUTE	DN	STP	1,100,000		
ALLEN	03	146	US-231	23	PE & ENVIR	DN	STP	600,000		
ALLEN	03	146.1	US-231	1.64	MAJOR WIDENING	DN	STP			500,000
EDMONSON	03	139	KY-101	3.3	RELOCATION	DN	STP	360,000		
EDMONSON	03	139	KY-101	3.3	RELOCATION	RW	STP			900,000
EDMONSON	03	139	KY-101	3.3	RELOCATION	UT	STP			600,000
LOGAN	03	275	US-431	6.12	MAJOR WIDENING	DN	STP	200,000		
LOGAN	03	275	US-431	6.12	MAJOR WIDENING	RW	STP		2,925,000	
LOGAN	03	275	US-431	6.12	MAJOR WIDENING	UT	STP		745,000	
MONROE	03	183	KY-163	2.06	RELOCATION	RW	STP	675,000		
MONROE	03	183	KY-163	2.06	RELOCATION	UT	STP	673,000		
MONROE	03	183	KY-163	2.06	RELOCATION	CN	STP			2,700,000
MONROE	03	183.01	KY-163	1.88	RELOCATION	RW	STP	400,000		
MONROE	03	183.01	KY-163	1.88	RELOCATION	UT	STP	392,000		
MONROE	03	183.01	KY-163	1.88	RELOCATION	CN	STP			2,800,000
WARREN	03	52		3.41	MAJOR WIDENING	DN	STP	150,000		
WARREN	03	52		3.41	MAJOR WIDENING	RW	STP			750,000
WARREN	03	52		3.41	MAJOR WIDENING	UT	STP			1,250,000
WARREN	03	146.01	US-231	1.26	MAJOR WIDENING	DN	STP			250,000
WARREN	03	252	KY-234	1.76	MAJOR WIDENING	DN	STP	400,000		
WARREN	03	252	KY-234	1.76	MAJOR WIDENING	RW	STP			1,250,000
WARREN	03	252	KY-234	1.76	MAJOR WIDENING	UT	STP			1,480,000
WARREN	03	252.01	KY-234		NEW INTERCHANGE	DN	STP	400,000		
WARREN	03	252.01	KY-234		NEW INTERCHANGE	RW	STP			1,050,000
WARREN	03	252.01	KY-234		NEW INTERCHANGE	UT	STP			413,000
BRECKINRIDGE	04	116	US-60	9.5	MAJOR WIDENING	DN	STP	1,900,000		
GRAYSON	04	1013	KY-259	0.44	NEW ROUTE	DN	STP	300,000		
GRAYSON	04	1013.01	KY-259	3.8	NEW ROUTE	DN	STP			650,000

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GREEN	04	172	US-68	6.5	MAJOR WIDENING	CN	STP	9,979,000		
GREEN	04	977.02	KY-61	1.34	MAJOR WIDENING	CN	STP		1,825,000	
GREEN	04	977.03	KY-61	1.8	MAJOR WIDENING	CN	STP		901,000	
HARDIN	04	163	KY-86	1.5	RESTN REHAB	CN	STP	860,000		
HARDIN	04	168.06	KY-313	3.1	NEW ROUTE	UT	STP	1,750,000		
HARDIN	04	175	KY-1357	0.7	MAJOR WIDENING	DN	STP	200,000		
HARDIN	04	175	KY-1357	0.7	MAJOR WIDENING	RW	STP			300,000
HARDIN	04	175	KY-1357	0.7	MAJOR WIDENING	UT	STP			150,000
HARDIN	04	176	KY-251	0.8	MAJOR WIDENING	DN	STP			200,000
MEADE	04	178	US-60	3.4	MAJOR WIDENING	DN	STP	680,000		
TAYLOR	04	248.1		2.12	NEW ROUTE	DN	STP	150,000		
TAYLOR	04	248.1		2.12	NEW ROUTE	RW	STP			1,095,000
TAYLOR	04	248.1		2.12	NEW ROUTE	UT	STP			350,000
TAYLOR	04	267	KY-210	7.8	MAJOR WIDENING	DN	STP	750,000		
WASHINGTON	04	103.02	US-150	3	MAJOR WIDENING	DN	STP	550,000		
WASHINGTON	04	103.02	US-150	3	MAJOR WIDENING	RW	STP		400,000	
WASHINGTON	04	103.02	US-150	3	MAJOR WIDENING	UT	STP		150,000	
WASHINGTON	04	103.02	US-150	3	MAJOR WIDENING	CN	STP			5,500,000
WASHINGTON	04	103.1	US-150	3.6	MAJOR WIDENING	DN	STP	600,000		
WASHINGTON	04	103.1	US-150	3.6	MAJOR WIDENING	RW	STP		500,000	
WASHINGTON	04	103.1	US-150	3.6	MAJOR WIDENING	UT	STP		500,000	
WASHINGTON	04	103.2	US-150	6.3	MAJOR WIDENING	DN	STP			1,100,000
BULLITT	05	117	KY-61	5	MAJOR WIDENING	DN	STP		1,250,000	
BULLITT	05	120.03	US-31E	2.5	MAJOR WIDENING	CN	STP			3,430,000
BULLITT	05	120.05	US-31E	2.25	MAJOR WIDENING	CN	STP		6,600,000	
BULLITT	05	217	KY-480	0.57	RELOCATION	DN	STP	225,000		
BULLITT	05	217	KY-480	0.57	RELOCATION	RW	STP			500,000
BULLITT	05	217	KY-480	0.57	RELOCATION	UT	STP			200,000
FRANKLIN	05	97	US-60	2	MAJOR WIDENING	DN	STP			400,000
FRANKLIN	05	235.02	US-127	2.9	RELOCATION	RW	STP	665,000		
FRANKLIN	05	235.02	US-127	2.9	RELOCATION	UT	STP	600,000		
FRANKLIN	05	235.07	US-127	5.1	MAJOR WIDENING	CN	STP		4,900,000	

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FRANKLIN	05	235.08	US-127	1.5	MAJOR WIDENING	CN	STP		8,600,000	
JEFFERSON	05	120.01	US-31E	3.69	MAJOR WIDENING	RW	STP	3,548,000		
JEFFERSON	05	120.01	US-31E	3.69	MAJOR WIDENING	UT	STP	2,500,000		
JEFFERSON	05	120.01	US-31E	3.69	MAJOR WIDENING	CN	STP			7,100,000
JEFFERSON	05	120.02	US-31E	2.25	MAJOR WIDENING	CN	STP	5,478,000		
JEFFERSON	05	248	KY-1865	2	MAJOR WIDENING	DN	STP	150,000		
JEFFERSON	05	248	KY-1865	2	MAJOR WIDENING	RW	STP			850,000
JEFFERSON	05	248	KY-1865	2	MAJOR WIDENING	UT	STP			1,000,000
SHELBY	05	115	KY-55	2	MAJOR WIDENING	DN	STP	500,000		
SHELBY	05	115	KY-55	2	MAJOR WIDENING	RW	STP			25,000
SHELBY	05	115	KY-55	2	MAJOR WIDENING	UT	STP			100,000
SHELBY	05	148	KY-55	9.2	MAJOR WIDENING	RW	STP		982,000	
SHELBY	05	148	KY-55	9.2	MAJOR WIDENING	UT	STP		865,000	
SHELBY	05	172	KY-395	1.8	MAJOR WIDENING	DN	STP			250,000
SPENCER	05	251.1	KY-555	5.2	NEW ROUTE	DN	STP		800,000	
TRIMBLE	05	135	US-421	2.2	PE & ENVIR	DN	STP	600,000		
BOONE	06	64.01	US-42	2.4	MAJOR WIDENING	DN	STP		500,000	
BOONE	06	159	US-42	1	RESTN REHAB	CN	STP	1,500,000		
CAMPBELL	06	46	US-27	6.8	MAJOR WIDENING	DN	STP			2,100,000
CAMPBELL	06	120	US-27	1.7	MAJOR WIDENING	RW	STP	4,000,000		
CAMPBELL	06	120	US-27	1.7	MAJOR WIDENING	UT	STP	700,000		
CAMPBELL	06	120	US-27	1.7	MAJOR WIDENING	CN	STP			5,000,000
CAMPBELL	06	244.02	KY-9	2.4	MAJOR WIDENING	CN	STP	9,969,000		
CAMPBELL	06	980	US-27	1.78	MAJOR WIDENING	CN	STP			6,000,000
FRANKLIN	06	1003	US-127	4.4	RELOCATION	RW	STP		1,800,000	
FRANKLIN	06	1003	US-127	4.4	RELOCATION	UT	STP		1,100,000	
GALLATIN	06	184	KY-35	1.7	MAJOR WIDENING	DN	STP			400,000
HARRISON	06	117.08	US-27	1.34	MAJOR WIDENING	CN	STP		2,500,000	
OWEN	06	1004	US-127	4.4	RELOCATION	RW	STP		1,800,000	
OWEN	06	1004	US-127	4.4	RELOCATION	UT	STP		1,100,000	
OWEN	06	1005	US-127	2.8	RELOCATION	RW	STP			1,000,000
OWEN	06	1005	US-127	2.8	RELOCATION	UT	STP			600,000

*Current Year Appropriations

1992 GENERAL ASSEMBLY
FB 1992-94 MEMORANDUM
1992-94 BIENNIAL HIGHWAY CONSTRUCTION PLAN
HB 468 CONFERENCE ANALYSIS

Governmental Branch: Executive
Cabinet/Function: Transportation
Agency: Highway
Unit: Construction

County	District	Item No.	Route	Length	Type of Work	Phase	Funding	FY 1991-92	FY 1992-93	FY 1993-94
OWEN	06	1006	US-127	2.1	RELOCATION	RW	STP		800,000	
OWEN	06	1006	US-127	2.1	RELOCATION	UT	STP		400,000	
PENDLETON	06	187	US-27	1	MAJOR WIDENING	DN	STP			250,000
PENDLETON	06	276	US-27	1.3	MAJOR WIDENING	DN	STP			350,000
SCOTT	06	240.01	US-62	6.5	MAJOR WIDENING	DN	STP	300,000		
SCOTT	06	240.01	US-62	6.5	MAJOR WIDENING	RW	STP			700,000
SCOTT	06	240.01	US-62	6.5	MAJOR WIDENING	UT	STP			200,000
BOYLE	07	176	US-68	4.5	RELOCATION	UT	STP	825,000		
BOYLE	07	176	US-68	4.5	RELOCATION	CN	STP		6,915,000	
CLARK	07	130	KY-1958	1	MAJOR WIDENING	RW	STP	600,000		
CLARK	07	130	KY-1958	1	MAJOR WIDENING	UT	STP	500,000		
CLARK	07	130	KY-1958	1	MAJOR WIDENING	CN	STP		2,000,000	
FAYETTE	07	122	US-25	5.5	MAJOR WIDENING	DN	STP	1,000,000		
FAYETTE	07	127	KY-4	0.85	SAFETY	RW	STP		285,000	
FAYETTE	07	127	KY-4	0.85	SAFETY	UT	STP		26,000	
GARRARD	07	302.01	KY-52	5	MAJOR WIDENING	DN	STP		200,000	
JESSAMINE	07	998	US-27	4.7	MAJOR WIDENING	DN	STP	500,000		
JESSAMINE	07	998	US-27	4.7	MAJOR WIDENING	RW	STP		3,266,000	
JESSAMINE	07	998	US-27	4.7	MAJOR WIDENING	UT	STP		180,000	
MADISON	07	138		3.8	NEW ROUTE	RW	STP	1,775,000		
MADISON	07	138		3.8	NEW ROUTE	UT	STP	746,000		
MADISON	07	138		3.8	NEW ROUTE	CN	STP			7,600,000
MADISON	07	138.03	I-75	0.55	NEW ROUTE	CN	STP			1,014,000
MADISON	07	162	US-421	3.1	RELOCATION	DN	STP	544,000		
MADISON	07	162	US-421	3.1	RELOCATION	RW	STP			940,000
MADISON	07	162	US-421	3.1	RELOCATION	UT	STP			376,000
MADISON	07	293	KY-595	2.1	MAJOR WIDENING	DN	STP	550,000		
MADISON	07	309	KY-52	3.5	MAJOR WIDENING	DN	STP		750,000	
MONTGOMERY	07	320	US-460	3.3	MAJOR WIDENING	DN	STP			1,000,000
SCOTT	07	75.01	US-62	2.88	NEW ROUTE	CN	STP		3,993,000	
SCOTT	07	158	US-460	0.379	SAFETY	RW	STP	700,000		
SCOTT	07	158	US-460	0.379	SAFETY	UT	STP	60,000		

*Current Year Appropriations

1992 GENERAL ASSEMBLY
FB 1992-94 MEMORANDUM
1992-94 BIENNIAL HIGHWAY CONSTRUCTION PLAN
HB 468 CONFERENCE ANALYSIS

Governmental Branch: Executive
Cabinet/Function: Transportation
Agency: Highway
Unit: Construction

County	District	Item No.	Route	Length	Type of Work	Phase	Funding	FY 1991-92	FY 1992-93	FY 1993-94
SCOTT	07	158	US-460	0.379	SAFETY	CN	STP		580,000	
ADAIR	08	158.02	KY-61	2.8	MAJOR WIDENING	RW	STP			1,035,000
ADAIR	08	158.02	KY-61	2.8	MAJOR WIDENING	UT	STP			388,000
ADAIR	08	158.03	KY-61	3	MAJOR WIDENING	RW	STP			1,325,000
ADAIR	08	158.03	KY-61	3	MAJOR WIDENING	UT	STP			510,000
ADAIR	08	159	KY-55	4	NEW ROUTE	DN	STP	950,000		
CLINTON	08	260	US-127	3.8	RELOCATION	DN	STP			400,000
CUMBERLAND	08	158.01	KY-61	3.7	MAJOR WIDENING	DN	STP	300,000		
PULASKI	08	52		1	NEW ROUTE	DN	STP			350,000
PULASKI	08	259		5.5	NEW ROUTE	DN	STP			1,750,000
ROCKCASTLE	08	143	US-25	0.8	MAJOR WIDENING	DN	STP	350,000		
WAYNE	08	51	KY-92	1.28	RELOCATION	DN	STP	300,000		
BATH	09	121	KY-11	7.65	MAJOR WIDENING	DN	STP		900,000	
BATH	09	121.1	KY-11	5.7	MAJOR WIDENING	DN	STP			1,100,000
BATH	09	136	KY-11	1.9	MAJOR WIDENING	CN	STP		3,500,000	
BOYD	09	275	US-60	0.7	MAJOR WIDENING	DN	STP			200,000
ELLIOTT	09	117.01	KY-7	1.57	RELOCATION	DN	STP	200,000		
ELLIOTT	09	117.01	KY-7	1.57	RELOCATION	RW	STP		1,000,000	
ELLIOTT	09	117.01	KY-7	1.57	RELOCATION	UT	STP		150,000	
FLEMING	09	135	KY-11	2.56	MAJOR WIDENING	RW	STP	450,000		
FLEMING	09	135	KY-11	2.56	MAJOR WIDENING	UT	STP	210,000		
FLEMING	09	135	KY-11	2.56	MAJOR WIDENING	CN	STP		6,000,000	
GREENUP	09	138	KY-750	0.2	MAJOR WIDENING	DN	STP			100,000
MASON	09	172	US-62	0.4	SAFETY	RW	STP	40,000		
MASON	09	172	US-62	0.4	SAFETY	UT	STP	65,000		
MASON	09	172	US-62	0.4	SAFETY	CN	STP		500,000	
MASON	09	209	US62/68	1.8	MAJOR WIDENING	CN	STP		3,500,000	
ROWAN	09	139	KY-801	0.5	RESTN REHAB	DN	STP	60,000		
ROWAN	09	139	KY-801	0.5	RESTN REHAB	RW.	STP			45,000
ROWAN	09	139	KY-801	0.5	RESTN REHAB	UT	STP			25,000
ROWAN	09	171	KY-801	2.8	MAJOR WIDENING	RW	STP	1,000,000		
ROWAN	09	171	KY-801	2.8	MAJOR WIDENING	UT	STP	3,500,000		

*Current Year Appropriations

1992 GENERAL ASSEMBLY
FB 1992-94 MEMORANDUM
1992-94 BIENNIAL HIGHWAY CONSTRUCTION PLAN
HB 468 CONFERENCE ANALYSIS

Governmental Branch: Executive
Cabinet/Function: Transportation
Agency: Highway
Unit: Construction

County	District	Item No.	Route	Length	Type of Work	Phase	Funding	FY 1991-92	FY 1992-93	FY 1993-94
ROWAN	09	171	KY-801	2.8	MAJOR WIDENING	CN	STP			5,100,000
BREATHITT	10	992	KY-205	4.9	MAJOR WIDENING	RW	STP	855,000		
BREATHITT	10	992	KY-205	4.9	MAJOR WIDENING	UT	STP		300,000	
ESTILL	10	113	KY-52	2	MAJOR WIDENING	DN	STP		500,000	
ESTILL	10	1008	KY-52	1.42	NEW ROUTE	DN	STP	100,000		
ESTILL	10	1008	KY-52	1.42	NEW ROUTE	RW	STP			929,000
ESTILL	10	1008	KY-52	1.42	NEW ROUTE	UT	STP			150,000
LEE	10	199	KY-587	0.4	RELOCATION	CN	STP		2,550,000	
MAGOFFIN	10	280	US-460	1.3	MAJOR WIDENING	DN	STP			600,000
MENIFEE	10	201	KY-1274	0.6	RESTN REHAB	DN	STP	61,000		
MENIFEE	10	201	KY-1274	0.6	RESTN REHAB	RW	STP			100,000
MENIFEE	10	201	KY-1274	0.6	RESTN REHAB	UT	STP			75,000
MENIFEE	10	277	US-460	2.6	RELOCATION	DN	STP	750,000		
MORGAN	10	155	KY-172	2.7	RELOCATION	CN	STP	4,296,000		
MORGAN	10	271	KY-7	2.4	RELOCATION	DN	STP	100,000		
MORGAN	10	271	KY-7	2.4	RELOCATION	RW	STP			1,750,000
MORGAN	10	271	KY-7	2.4	RELOCATION	UT	STP			250,000
MORGAN	10	278	US-460	2.4	RELOCATION	DN	STP	700,000		
PERRY	10	114	KY-7	2	MAJOR WIDENING	DN	STP			650,000
PERRY	10	114.01	KY-7	2	SCOPING STUDY	DN	STP		100,000	
POWELL	10	115	KY-213	1.3	MAJOR WIDENING	DN	STP			400,000
KNOX	11	992	KY-6	0.71	MINOR WIDENING	CN	STP	678,000		
LAUREL	11	210	US-25	1.62	MAJOR WIDENING	RW	STP			500,000
LAUREL	11	210	US-25	1.62	MAJOR WIDENING	UT	STP			150,000
WHITLEY	11	54	US-25W	0.8	RELOCATION	CN	STP			4,207,000
WHITLEY	11	126	US-25W	2.5	MAJOR WIDENING	DN	STP	501,000		
WHITLEY	11	126	US-25W	2.5	MAJOR WIDENING	RW	STP		2,200,000	
WHITLEY	11	126	US-25W	2.5	MAJOR WIDENING	UT	STP		650,000	
MARTIN	12	154	KY-40	8.5	PE & ENVIR	DN	STP		1,000,000	
Z(VARIOUS)	99	106	VARIOUS		SAFETY	CN	STP			2,000,000
Z(VARIOUS)	99	199	VARIOUS			CN	STP			215,000

*Current Year Appropriations

1992 GENERAL ASSEMBLY
FB 1992-94 MEMORANDUM
1992-94 BIENNIAL HIGHWAY CONSTRUCTION PLAN
HB 468 CONFERENCE ANALYSIS

Governmental Branch: Executive
Cabinet/Function: Transportation
Agency: Highway
Unit: Construction

County	District	Item No.	Route	Length	Type of Work	Phase	Funding	FY 1991-92	FY 1992-93	FY 1993-94
					Total			**77,570,000**	**103,097,000**	**107,139,000**
					Federal Transportation Enhancement					
JEFFERSON	05	311.8			ENHANCEMENT	DN	TE		150,000	
JEFFERSON	05	313	VARIOUS		ENHANCEMENT	DN	TE		200,000	
JEFFERSON	05	313	VARIOUS		ENHANCEMENT	CN	TE			1,500,000
Z(VARIOUS)	99	152	VARIOUS		ENHANCEMENT	CN	TE	1,000,000		
Z(VARIOUS)	99	152.5	VARIOUS		ENHANCEMENT	CN	TE		1,500,000	
Z(VARIOUS)	99	153	VARIOUS		ENHANCEMENT	CN	TE			1,500,000
Z(VARIOUS)	99	155	VARIOUS		ENHANCEMENT	CN	TE	750,000		
Z(VARIOUS)	99	156	VARIOUS		ENHANCEMENT	CN	TE		750,000	
Z(VARIOUS)	99	157	VARIOUS		ENHANCEMENT	CN	TE			750,000
Z(VARIOUS)	99	162	VARIOUS		ENHANCEMENT	CN	TE		2,000,000	
Z(VARIOUS)	99	163	VARIOUS		ENHANCEMENT	CN	TE			2,000,000
Z(VARIOUS)	99	189	VARIOUS		TRANSP. ENHANCEMENT	CN	TE	6,000,000		
Z(VARIOUS)	99	190	VARIOUS		TRANSP. ENHANCEMENT	CN	TE		4,700,000	
Z(VARIOUS)	99	191	VARIOUS		TRANSP. ENHANCEMENT	CN	TE			3,500,000
					Total			**7,750,000**	**9,300,000**	**9,250,000**
					TOTAL BIENNIAL HIGHWAY CONSTRUCTION PROGRAM			**327,027,000**	**596,110,000**	**549,816,000**

*Current Year Appropriations

1992 GENERAL ASSEMBLY

FB 1992-94 STATE/EXECUTIVE BRANCH BUDGET MEMORANDUM

WD. WORKFORCE DEVELOPMENT

APRIL 1, 1992

1992 GENERAL ASSEMBLY
FB 1992-94 CONFERENCE ANALYSIS
GENERAL FUND SUMMARY

FUNCTION: Workforce Development

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
FUNCTION: Workforce Development							
Executive Policy and Management	652,100	619,600	619,600	619,600	638,200	638,200	638,200
State Board for Adult, Vocational Education and Vocational Rehabilitation	42,000	35,400	35,400	35,400	36,500	36,500	36,500
WFDC KTRS Employer Match	8,621,800	7,621,800	7,621,800	7,621,800	7,850,500	7,850,500	7,850,500
Adult Vocational - Technical Education	55,394,500	53,609,500	52,735,700	53,446,800	60,217,800	58,732,800	59,724,600
Adult Basic Education	5,324,000	5,158,400	5,158,400	5,158,400	5,313,200	5,313,200	5,313,200
Internal Administration	4,188,600	6,118,400	6,118,400	6,118,400	6,524,000	6,524,000	6,524,000
Vocational Rehabilitation	6,170,800	6,489,900	6,489,900	6,489,900	6,691,400	6,691,400	6,691,400
Dept. for the Blind	1,477,700	1,397,000	1,397,000	1,397,000	1,438,900	1,438,900	1,438,900
Kentucky Literacy Commission	1,305,700	1,305,700	1,305,700	1,305,700	1,344,900	1,344,900	1,344,900
Governor's Council on Vocational Education							
State Board for Proprietary Education							
Ky. Occupational Information Coordination Committee							
Job Training Coordinating Council							
Operating Budget Total	83,177,200	82,355,700	81,481,900	82,193,000	90,055,400	88,570,400	89,562,200
Capital Budget							
Grand Total	**83,177,200**	**82,355,700**	**81,481,900**	**82,193,000**	**90,055,400**	**88,570,400**	**89,562,200**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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3/30/92
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Governmental Branch: **Executive**
Cabinet/Function: **Workforce Development**
Agency: **Cabinet Summary**
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	80,777,200	82,355,700	81,481,900	82,193,000	90,055,400	88,570,400	89,562,200
General Fund Special	2,400,000						
Restricted Funds	33,279,100	35,886,300	35,886,300	35,886,300	36,806,700	36,806,700	36,806,700
Federal Funds	75,515,700	70,290,500	70,290,500	70,290,500	72,345,300	72,345,300	72,345,300
General Fund Continuing	1,854,900						
TOTAL FUNDS	**193,826,900**	**188,532,500**	**187,658,700**	**188,369,800**	**199,207,400**	**197,722,400**	**198,714,200**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	104,113,600	102,131,300	101,420,200	102,131,300	107,326,900	106,035,100	107,026,900
Operating Expenses	34,186,300	33,459,300	33,296,600	33,296,600	36,315,600	36,122,400	36,122,400
Grants, Loans, Benefits	47,512,300	46,215,700	46,215,700	46,215,700	47,781,500	47,781,500	47,781,500
Debt Service	959,700	3,534,300	3,534,300	3,534,300	3,753,400	3,753,400	3,753,400
Capital Outlay	7,055,000	3,191,900	3,191,900	3,191,900	4,030,000	4,030,000	4,030,000
TOTAL EXPENDITURES	**193,826,900**	**188,532,500**	**187,658,700**	**188,369,800**	**199,207,400**	**197,722,400**	**198,714,200**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	80,777,200	81,711,600	80,837,800	81,548,900	84,163,100	82,678,100	83,669,900
Restricted Funds	33,279,100	35,886,300	35,886,300	35,886,300	36,806,700	36,806,700	36,806,700
Federal Funds	75,515,700	69,393,200	69,393,200	69,393,200	71,334,300	71,334,300	71,334,300
General Fund Continuing	1,854,900						
TOTAL CURRENT	**191,426,900**	**186,991,100**	**186,117,300**	**186,828,400**	**192,304,100**	**190,819,100**	**191,810,900**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		644,100	644,100	644,100	5,892,300	5,892,300	5,892,300
General Fund Special	2,400,000						
Federal Funds		897,300	897,300	897,300	1,011,000	1,011,000	1,011,000
TOTAL ADDITIONAL	**2,400,000**	**1,541,400**	**1,541,400**	**1,541,400**	**6,903,300**	**6,903,300**	**6,903,300**

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive
Cabinet/Function: Workforce Development
Agency: Executive Policy & Management
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	652,100	619,600	619,600	619,600	638,200	638,200	638,200
Federal Funds	290,900	106,600	106,600	106,600	106,600	106,600	106,600
TOTAL FUNDS	**943,000**	**726,200**	**726,200**	**726,200**	**744,800**	**744,800**	**744,800**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	840,100	656,600	656,600	656,600	675,200	675,200	675,200
Operating Expenses	92,900	69,600	69,600	69,600	69,600	69,600	69,600
Capital Outlay	10,000						
TOTAL EXPENDITURES	**943,000**	**726,200**	**726,200**	**726,200**	**744,800**	**744,800**	**744,800**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	652,100	619,600	619,600	619,600	638,200	638,200	638,200
Federal Funds	290,900	106,600	106,600	106,600	106,600	106,600	106,600
TOTAL CURRENT	**943,000**	**726,200**	**726,200**	**726,200**	**744,800**	**744,800**	**744,800**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The branch budget recommends reduced funding for existing services and programs in FB 1992-94 with the following exception. The Client Assistance program, authorized by the Rehabilitation Act of 1973, is maintained by including $106,600 in Federal Funds for each year of the biennium. The Branch Budget recommends that the Secretary, Workforce Development Cabinet, be permitted to transfer appropriations among and between various appropriation units in the Workforce Development Cabinet. These transfers shall be made pursuant to KRS 48.500 and shall be reported to the Interim Joint Committee on Appropriations and Revenue. These transfers shall be limited to the following appropriation units in the Workforce Development Cabinet: Department for the Blind, Vocational Rehabilitation, General Administration and Support, Adult Basic Education, Executive Policy and Management, and Adult Technical Education.

HOUSE REPORT

The House concurs with the Branch Budget recommendations with the following exception: The Secretary, Workforce Development Cabinet, is not permitted to transfer appropriations among and between various appropriation units as recommended in the Branch Budget..

SENATE REPORT

The Senate concurs with the House recommendations.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

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CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

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Governmental Branch: Executive **Agency:** **Department for the Blind**
Cabinet/Function: Workforce Development **Unit:**

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	1,477,700	1,397,000	1,397,000	1,397,000	1,438,900	1,438,900	1,438,900
Restricted Funds	2,457,800	2,607,300	2,607,300	2,607,300	2,497,800	2,497,800	2,497,800
Federal Funds	7,323,800	6,327,000	6,327,000	6,327,000	6,716,600	6,716,600	6,716,600
TOTAL FUNDS	**11,259,300**	**10,331,300**	**10,331,300**	**10,331,300**	**10,653,300**	**10,653,300**	**10,653,300**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	4,828,500	5,013,000	5,013,000	5,013,000	5,163,400	5,163,400	5,163,400
Operating Expenses	1,953,900	2,005,500	2,005,500	2,005,500	2,045,900	2,045,900	2,045,900
Grants, Loans, Benefits	2,652,900	2,779,000	2,779,000	2,779,000	2,946,500	2,946,500	2,946,500
Capital Outlay	1,824,000	533,800	533,800	533,800	497,500	497,500	497,500
TOTAL EXPENDITURES	**11,259,300**	**10,331,300**	**10,331,300**	**10,331,300**	**10,653,300**	**10,653,300**	**10,653,300**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	1,477,700	1,397,000	1,397,000	1,397,000	1,438,900	1,438,900	1,438,900
Restricted Funds	2,457,800	2,607,300	2,607,300	2,607,300	2,497,800	2,497,800	2,497,800
Federal Funds	7,323,800	6,327,000	6,327,000	6,327,000	6,716,600	6,716,600	6,716,600
TOTAL CURRENT	**11,259,300**	**10,331,300**	**10,331,300**	**10,331,300**	**10,653,300**	**10,653,300**	**10,653,300**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget reflects an overall decrease in funding of 8.3 percent in FY 1992-93 and an increase of 3.2 percent in FY 1993-94. General Fund is reduced by 5.5percent in FY 1992-93 and increased by 3.0 percent in FY 1993-94.

HOUSE REPORT
The House concurs with the Branch Budget recommendations.

SENATE REPORT
The Senate concurs with the House recommendations.

CONFERENCE REPORT
The Conference concurs with the House and Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

346500AA.XLS
3/25/92
2:44 PM

Governmental Branch: Executive
Cabinet/Function: Workforce Development
Agency: Governor's Commission on Literacy
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	1,305,700	1,305,700	1,305,700	1,305,700	1,344,900	1,344,900	1,344,900
Restricted Funds	162,400	162,400	162,400	162,400	162,400	162,400	162,400
Federal Funds	852,900	645,200	645,200	645,200	645,200	645,200	645,200
TOTAL FUNDS	**2,321,000**	**2,113,300**	**2,113,300**	**2,113,300**	**2,152,500**	**2,152,500**	**2,152,500**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	254,600	273,300	273,300	273,300	281,500	281,500	281,500
Operating Expenses	109,700	109,700	109,700	109,700	111,800	111,800	111,800
Grants, Loans, Benefits	1,956,700	1,730,300	1,730,300	1,730,300	1,759,200	1,759,200	1,759,200
TOTAL EXPENDITURES	**2,321,000**	**2,113,300**	**2,113,300**	**2,113,300**	**2,152,500**	**2,152,500**	**2,152,500**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	1,305,700	1,305,700	1,305,700	1,305,700	1,344,900	1,344,900	1,344,900
Restricted Funds	162,400	162,400	162,400	162,400	162,400	162,400	162,400
Federal Funds	852,900	645,200	645,200	645,200	645,200	645,200	645,200
TOTAL CURRENT	**2,321,000**	**2,113,300**	**2,113,300**	**2,113,300**	**2,152,500**	**2,152,500**	**2,152,500**

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget maintains General Fund support for the Commission at the current level for FY 1992-93 and increases the level of support by 3 percent in FY 1993-94.

HOUSE REPORT
The House concurs with the Branch Budget recommendations.

SENATE REPORT
The Senate concurs with the House recommendations.

CONFERENCE REPORT
The Conference concurs with the House and Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

346300AA.XLS
3/25/92
2:41 PM

Governmental Branch: Executive **Agency: Adult Basic Education**
Cabinet/Function: Workforce Development **Unit:**

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	5,324,000	5,158,400	5,158,400	5,158,400	5,313,200	5,313,200	5,313,200
Restricted Funds	564,300	519,000	519,000	519,000	510,800	510,800	510,800
Federal Funds	7,909,600	6,827,900	6,827,900	6,827,900	7,256,200	7,256,200	7,256,200
TOTAL FUNDS	**13,797,900**	**12,505,300**	**12,505,300**	**12,505,300**	**13,080,200**	**13,080,200**	**13,080,200**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	1,425,700	1,150,000	1,150,000	1,150,000	1,161,800	1,161,800	1,161,800
Operating Expenses	433,500	323,900	323,900	323,900	324,900	324,900	324,900
Grants, Loans, Benefits	11,886,700	11,031,400	11,031,400	11,031,400	11,593,500	11,593,500	11,593,500
Capital Outlay	52,000						
TOTAL EXPENDITURES	**13,797,900**	**12,505,300**	**12,505,300**	**12,505,300**	**13,080,200**	**13,080,200**	**13,080,200**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	5,324,000	5,158,400	5,158,400	5,158,400	5,313,200	5,313,200	5,313,200
Restricted Funds	564,300	519,000	519,000	519,000	510,800	510,800	510,800
Federal Funds	7,909,600	6,827,900	6,827,900	6,827,900	7,256,200	7,256,200	7,256,200

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget recommends reduced funding for existing programs and services in FB 1992-94 with the exception of the Parent and Child Education (PACE) program. The PACE program is maintained at the current level.

HOUSE REPORT
The House concurs with the Branch Budget recommendations.

SENATE REPORT
The Senate concurs with the House recommendations.

CONFERENCE REPORT
The Conference concurs with the House and Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

346250AA.XLS
3/30/92
6:53 PM

Governmental Branch: Executive
Cabinet/Function: Workforce Development
Agency: Adult Technical Education
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	55,394,500	53,609,500	52,735,700	53,446,800	60,217,800	58,732,800	59,724,600
Restricted Funds	27,616,500	28,552,600	28,552,600	28,552,600	29,695,600	29,695,600	29,695,600
Federal Funds	25,249,500	24,510,500	24,510,500	24,510,500	25,077,300	25,077,300	25,077,300
General Fund Continuing	1,854,900						
TOTAL FUNDS	**110,115,400**	**106,672,600**	**105,798,800**	**106,509,900**	**114,990,700**	**113,505,700**	**114,497,500**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	70,728,700	69,680,300	68,969,200	69,680,300	73,863,200	72,571,400	73,563,200
Operating Expenses	23,927,500	23,604,500	23,441,800	23,441,800	26,143,800	25,950,600	25,950,600
Grants, Loans, Benefits	11,114,600	11,315,600	11,315,600	11,315,600	11,689,400	11,689,400	11,689,400
Capital Outlay	4,344,600	2,072,200	2,072,200	2,072,200	3,294,300	3,294,300	3,294,300
TOTAL EXPENDITURES	**110,115,400**	**106,672,600**	**105,798,800**	**106,509,900**	**114,990,700**	**113,505,700**	**114,497,500**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	55,394,500	53,334,500	52,460,700	53,171,800	54,934,500	53,449,500	54,441,300
Restricted Funds	27,616,500	28,552,600	28,552,600	28,552,600	29,695,600	29,695,600	29,695,600
Federal Funds	25,249,500	24,510,500	24,510,500	24,510,500	25,077,300	25,077,300	25,077,300
General Fund Continuing	1,854,900						
TOTAL CURRENT	**110,115,400**	**106,397,600**	**105,523,800**	**106,234,900**	**109,707,400**	**108,222,400**	**109,214,200**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		275,000	275,000	275,000	5,283,300	5,283,300	5,283,300

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
1/E Operational costs for new and expanded vocational facilities	G	275,000	275,000	275,000	5,283,300	5,283,300	5,283,300
RECAP BY FUND SOURCE	G	**275,000**	**275,000**	**275,000**	**5,283,300**	**5,283,300**	**5,283,300**
GRAND TOTAL ADDITIONAL BUDGET		**275,000**	**275,000**	**275,000**	**5,283,300**	**5,283,300**	**5,283,300**

BRANCH BUDGET

The Branch Budget recommends an overall decrease in the budget for Adult Technical Education of 3.4 percent in FY 1992-93. The General Fund decrease for FY 1992-93 is 6.4 percent. The total budget is increased by 7.6 percent in FY 1993-94 with the General Fund increase being 12.4 percent. Additional General Fund in the amount of $275,00 in FY 1992-93 and $5,283,300 in FY 1993-94 is included for staffing, maintenance, and operation of new or expanded vocational facilities authorized by the 1990 General Assembly.

HOUSE REPORT

The House concurs with the Branch Budget recommendations and adds the following: By July 1, 1993, the Department for Adult and Technical Education shall reduce the administrative and operational expenditures for regional vocational-technical offices by one-half. The State Board for Adult and Technical Education shall use these funds for salary enhancement/improvement for teachers within the vocational technical system..

SENATE REPORT

The Senate concurs with the Branch Budget recommendations and adds the following: By July 1, 1992, the Department for Adult Technical Education shall reduce the number of regional vocational-technical offices from fourteen (14) to six (6).

CONFERENCE REPORT

The Conference concurs with the Senate and adds the following: The $711,100 in FY 1992-93 and $991,800 in FY 1993-94 that is available as a result of reducing the number of regional vocational-technical offices shall remain in the Department for Adult Technical Education and is directed to fund new school based instructional and instructional support staff positions.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

346150AA.XLS
3/25/92
2:39 PM

Governmental Branch: Executive
Cabinet/Function: Workforce Development
Agency: State Board for Adult and Techical Education
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	42,000	35,400	35,400	35,400	36,500	36,500	36,500
II. EXPENDITURES BY CATEGORY							
Personnel Costs	17,000	14,100	14,100	14,100	14,500	14,500	14,500
Operating Expenses	25,000	21,300	21,300	21,300	22,000	22,000	22,000
TOTAL EXPENDITURES	**42,000**	**35,400**	**35,400**	**35,400**	**36,500**	**36,500**	**36,500**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	42,000	35,400	35,400	35,400	36,500	36,500	36,500

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget provides for the continuation of the State Board for Adult and Technical Education.

HOUSE REPORT
The House concurs with the Branch Budget recommendation.

SENATE REPORT
The Senate concurs with the House recommendation.

CONFERENCE REPORT
The Conference concurs with the House and Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

346400AA.XLS
3/25/92
2:42 PM

Governmental Branch: Executive
Cabinet/Function: Workforce Development
Agency: Vocational Rehabilitation
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	6,170,800	6,489,900	6,489,900	6,489,900	6,691,400	6,691,400	6,691,400
Restricted Funds	2,153,900	2,082,500	2,082,500	2,082,500	1,898,100	1,898,100	1,898,100
Federal Funds	31,875,300	31,457,600	31,457,600	31,457,600	32,121,200	32,121,200	32,121,200
TOTAL FUNDS	**40,200,000**	**40,030,000**	**40,030,000**	**40,030,000**	**40,710,700**	**40,710,700**	**40,710,700**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	14,735,500	15,119,300	15,119,300	15,119,300	15,623,900	15,623,900	15,623,900
Operating Expenses	4,896,400	5,040,400	5,040,400	5,040,400	5,127,800	5,127,800	5,127,800
Grants, Loans, Benefits	19,871,100	19,332,400	19,332,400	19,332,400	19,771,100	19,771,100	19,771,100
Capital Outlay	697,000	537,900	537,900	537,900	187,900	187,900	187,900
TOTAL EXPENDITURES	**40,200,000**	**40,030,000**	**40,030,000**	**40,030,000**	**40,710,700**	**40,710,700**	**40,710,700**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	6,170,800	6,120,800	6,120,800	6,120,800	6,304,400	6,304,400	6,304,400
Restricted Funds	2,153,900	2,082,500	2,082,500	2,082,500	1,898,100	1,898,100	1,898,100
Federal Funds	31,875,300	30,560,300	30,560,300	30,560,300	31,110,200	31,110,200	31,110,200
TOTAL CURRENT	**40,200,000**	**38,763,600**	**38,763,600**	**38,763,600**	**39,312,700**	**39,312,700**	**39,312,700**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund		369,100	369,100	369,100	387,000	387,000	387,000
Federal Funds		897,300	897,300	897,300	1,011,000	1,011,000	1,011,000
TOTAL ADDITIONAL		**1,266,400**	**1,266,400**	**1,266,400**	**1,398,000**	**1,398,000**	**1,398,000**

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal		FY 1992-93			FY 1993-94	
		House	Senate	Conference	House	Senate	Conference
1/N Provide twenty (20) one-day employer training seminars on the Americans with Disabilities Act	G	70,000	70,000	70,000	50,000	50,000	50,000

Item#	Fund Source		FY 1992-93			FY 1993-94	
/Type Service Unit/Description	/Subtotal	House	Senate	Conference	House	Senate	Conference
2/E Provide additional funds to	G	299,100	299,100	299,100	337,000	337,000	337,000
match available federal funds	F	897,300	897,300	897,300	1,011,000	1,011,000	1,011,000
	Total	**1,196,400**	**1,196,400**	**1,196,400**	**1,348,000**	**1,348,000**	**1,348,000**
RECAP BY FUND SOURCE	**G**	**369,100**	**369,100**	**369,100**	**387,000**	**387,000**	**387,000**
	F	**897,300**	**897,300**	**897,300**	**1,011,000**	**1,011,000**	**1,011,000**
GRAND TOTAL ADDITIONAL BUDGET		**1,266,400**	**1,266,400**	**1,266,400**	**1,398,000**	**1,398,000**	**1,398,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget maintains the current level of General Fund support for Vocational Rehabilitation and adds $70,000 in FY 1992-93 and $50,000 in FY 1993-94 to provide employers with technical assistance concerning the Americans with Disabilities Act.

HOUSE REPORT

The House concurs with the Branch Budget recommendations and adds additional General Fund in order to more fully match available federal funds. General Fund in the amount of $299,100 in FY 1992-93 and $337,000 in FY 1993-94 is added. These funds will match an additional $897,300 in FY 1992-93 and $1,011,000 in FY 1993-94 in federal funds..

SENATE REPORT

The Senate concurs with the House recommendations.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

346350AA.XLS
3/25/92
2:41 PM

Governmental Branch: Executive
Cabinet/Function: Workforce Development
Agency: General Administration and Support
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	4,188,600	6,118,400	6,118,400	6,118,400	6,524,000	6,524,000	6,524,000
Restricted Funds	226,500	1,864,800	1,864,800	1,864,800	1,941,300	1,941,300	1,941,300
Federal Funds	1,559,500						
TOTAL FUNDS	**5,974,600**	**7,983,200**	**7,983,200**	**7,983,200**	**8,465,300**	**8,465,300**	**8,465,300**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	2,293,900	2,235,100	2,235,100	2,235,100	2,314,000	2,314,000	2,314,000
Operating Expenses	2,613,100	2,167,300	2,167,300	2,167,300	2,349,100	2,349,100	2,349,100
Debt Service	959,700	3,534,300	3,534,300	3,534,300	3,753,400	3,753,400	3,753,400
Capital Outlay	107,900	46,500	46,500	46,500	48,800	48,800	48,800
TOTAL EXPENDITURES	**5,974,600**	**7,983,200**	**7,983,200**	**7,983,200**	**8,465,300**	**8,465,300**	**8,465,300**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	4,188,600	6,118,400	6,118,400	6,118,400	6,302,000	6,302,000	6,302,000
Restricted Funds	226,500	1,864,800	1,864,800	1,864,800	1,941,300	1,941,300	1,941,300
Federal Funds	1,559,500						
TOTAL CURRENT	**5,974,600**	**7,983,200**	**7,983,200**	**7,983,200**	**8,243,300**	**8,243,300**	**8,243,300**
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund					222,000	222,000	222,000

V. ADDITIONAL BUDGET ITEMS

Item# /Type Service Unit/Description	Fund Source /Subtotal	FY 1992-93			FY 1993-94		
		House	Senate	Conference	House	Senate	Conference
1/E Debt service for Industrial Technology Building upgrade at the Hazard State Vocational Technical School	G				222,000	222,000	222,000
RECAP BY FUND SOURCE	**G**				**222,000**	**222,000**	**222,000**
GRAND TOTAL ADDITIONAL BUDGET					**222,000**	**222,000**	**222,000**

BUDGET MODIFICATION REPORT

BRANCH BUDGET

The Branch Budget reduces administrative and operations funding by 10.3 percent in FY 1992-93. Administrative and operations funding is increased by 6.0 percent in FY 1993-94. The Branch Budget contains $3,534,300 in FY 1992-93 and $3,531,400 in FY 1993-94 for previously issued debt. Debt service of $222,000 is provided in FY 1993-94 for the Industrial Technology Building upgrade at the Hazard State Vocational Technical School.

HOUSE REPORT

The House concurs with the Branch Budget recommendations.

SENATE REPORT

The Senate concurs with the House recommendations.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

BR 60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

346200AA.XLS
3/25/92
2:39 PM

Governmental Branch: Executive
Cabinet/Function: Workforce Development
Agency: WFDC KTRS Employer Contribution
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
General Fund	6,221,800	7,621,800	7,621,800	7,621,800	7,850,500	7,850,500	7,850,500
General Fund Special	2,400,000						
TOTAL FUNDS	**8,621,800**	**7,621,800**	**7,621,800**	**7,621,800**	**7,850,500**	**7,850,500**	**7,850,500**
II. EXPENDITURES BY CATEGORY							
Personnel Costs	8,621,800	7,621,800	7,621,800	7,621,800	7,850,500	7,850,500	7,850,500
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
General Fund	6,221,800	7,621,800	7,621,800	7,621,800	7,850,500	7,850,500	7,850,500
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE							
FUND SOURCE							
General Fund Special	2,400,000						

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget establishes a new budgeting unit for employer retirement contributions for employees who are members of the Kentucky Teachers' Retirement System (KTRS). Funds are included to full match the employer contributions, including the 3.25 percent overmatch. The Branch Budget also includes a supplemental appropriation of $2,400,000 in FY 1991-92 to cover shortages in the appropriation for employer contributions for FB 1990-92. Funds in this unit will be remitted directly to KTRS by the Workforce Development Cabinet.

HOUSE REPORT
The House concurs with the Branch Budget recommendations.

SENATE REPORT
The Senate concurs with the House recommendations.

CONFERENCE REPORT
The Conference concurs with the House and Senate.

BR_15

CONFERENCE ANALYSIS
CURRENT YEAR BUDGET REQUESTS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

346200AA.XLS
3/28/92
9:08 AM

Governmental Branch: Executive
Cabinet/Function: Workforce Development
Agency: WFDC KTRS Employer Contribution
Unit:

	Request	Branch	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:					
FUND SOURCE					
General Fund	6,221,800	6,221,800	6,221,800	6,221,800	6,221,800
General Fund Special	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
TOTAL FUNDS	**8,621,800**	**8,621,800**	**8,621,800**	**8,621,800**	**8,621,800**
II. EXPENDITURES BY CATEGORY					
Personnel Costs	8,621,800	8,621,800	8,621,800	8,621,800	8,621,800
III. CURRENT SERVICES BUDGET					
FUND SOURCE					
General Fund	6,221,800	6,221,800	6,221,800	6,221,800	6,221,800
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE					
FUND SOURCE					
General Fund Special	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000

V. ADDITIONAL BUDGET ITEMS/CURRENT YEAR

Item# /Type Service Unit/Description	Fund Source /Subtotal	Request	Branch Budget	House	Senate	Conference
1/M Accumulated value of underestimated employer contributions for FY 1990-91 and FY 1991-92	GS	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
GRAND TOTAL		**2,400,000**	**2,400,000**	**2,400,000**	**2,400,000**	**2,400,000**

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

346600AA.XLS
3/25/92
2:46 PM

Governmental Branch: Executive
Cabinet/Function: Workforce Development
Agency: State Board for Proprietary Education
Unit:

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
Restricted Funds	97,700	97,700	97,700	97,700	100,700	100,700	100,700
II. EXPENDITURES BY CATEGORY							
Personnel Costs	88,000	88,000	88,000	88,000	90,700	90,700	90,700
Operating Expenses	9,700	9,700	9,700	9,700	10,000	10,000	10,000
TOTAL EXPENDITURES	**97,700**	**97,700**	**97,700**	**97,700**	**100,700**	**100,700**	**100,700**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
Restricted Funds	97,700	97,700	97,700	97,700	100,700	100,700	100,700

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget provides for continuation of the State Board for Proprietary Education.

HOUSE REPORT
The House concurs with the Branch budget recommendation.

SENATE REPORT
The Senate concurs with the House.

CONFERENCE REPORT
The Conference concurs with the House and Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

346550AA.XLS
3/29/92
3:50 PM

Governmental Branch: Executive
Cabinet/Function: **Workforce Development**
Agency: **Governor's Council on Vocational Education**
Unit:

	FY 1991-92 Budget	FY 1992-93 House	FY 1992-93 Senate	FY 1992-93 Conference	FY 1993-94 House	FY 1993-94 Senate	FY 1993-94 Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
Federal Funds	142,200	140,200	140,200	140,200	144,500	144,500	144,500
II. EXPENDITURES BY CATEGORY							
Personnel Costs	91,500	91,500	91,500	91,500	94,300	94,300	94,300
Operating Expenses	48,700	48,700	48,700	48,700	50,200	50,200	50,200
Capital Outlay	2,000						
TOTAL EXPENDITURES	**142,200**	**140,200**	**140,200**	**140,200**	**144,500**	**144,500**	**144,500**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
Federal Funds	142,200	140,200	140,200	140,200	144,500	144,500	144,500

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget provides for the continuation of the Governor's Council on Vocational Education.

HOUSE REPORT
The House concurs with the Branch Budget recommendation.

SENATE REPORT
The Senate concurs with the House recommendation.

CONFERENCE REPORT
The Conference concurs with the House and Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

3467(X)AA.XLS
3/25/92
2:49 PM

Governmental Branch: **Executive**
Cabinet/Function: **Workforce Development**
Agency: **Job Training Coordinating Council**
Unit:

	FY 1991-92	FY 1992-93			FY 1993-94		
	Budget	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
Federal Funds	154,500	151,000	151,000	151,000	155,500	155,500	155,500
II. EXPENDITURES BY CATEGORY							
Personnel Costs	100,800	100,800	100,800	100,800	103,800	103,800	103,800
Operating Expenses	48,700	48,700	48,700	48,700	50,200	50,200	50,200
Capital Outlay	5,000	1,500	1,500	1,500	1,500	1,500	1,500
TOTAL EXPENDITURES	**154,500**	**151,000**	**151,000**	**151,000**	**155,500**	**155,500**	**155,500**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
Federal Funds	154,500	151,000	151,000	151,000	155,500	155,500	155,500

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget provides for the continuation of the Job Training Coordinating Council.

HOUSE REPORT
The House concurs with the Branch Budget recommendation.

SENATE REPORT
The Senate concurs with the House recommendation.

CONFERENCE REPORT
The Conference concurs with the House and Senate.

BR_60

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

346650AA.XLS
3/25/92
2:48 PM

Governmental Branch: Executive **Agency:** **Kentucky Occupational Information Coord. Comm.**
Cabinet/Function: **Workforce Development** **Unit:**

	FY 1991-92		FY 1992-93			FY 1993-94	
	Budget	**House**	**Senate**	**Conference**	**House**	**Senate**	**Conference**
I. APPROPRIATIONS SUMMARY:							
FUND SOURCE							
Federal Funds	157,500	124,500	124,500	124,500	122,200	122,200	122,200
II. EXPENDITURES BY CATEGORY							
Personnel Costs	87,500	87,500	87,500	87,500	90,100	90,100	90,100
Operating Expenses	27,200	10,000	10,000	10,000	10,300	10,300	10,300
Grants, Loans, Benefits	30,300	27,000	27,000	27,000	21,800	21,800	21,800
Capital Outlay	12,500						
TOTAL EXPENDITURES	**157,500**	**124,500**	**124,500**	**124,500**	**122,200**	**122,200**	**122,200**
III. CURRENT SERVICES BUDGET							
FUND SOURCE							
Federal Funds	157,500	124,500	124,500	124,500	122,200	122,200	122,200

BUDGET MODIFICATION REPORT

BRANCH BUDGET
The Branch Budget provides for continuation of the Kentucky Occupational Information Coordinating Committee.

HOUSE REPORT
The House concurs with the Branch Budget recommendation.

SENATE REPORT
The Senate concurs with the House recommendation.

CONFERENCE REPORT
The Conference concurs with the House and Senate.

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: WORKFORCE DEVELOPMENT CABINET

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY: OFFICE OF THE SECRETARY										
1 MISCELLANEOUS MAINTENANCE POOL	II				850,000	850,000	850,000	935,000	935,000	935,000
2 MINICOMPUTER REPLACEMENT - CABINET	FF				127,000	127,000	127,000			
AGENCY	**TOTAL**				**977,000**	**977,000**	**977,000**	**935,000**	**935,000**	**935,000**
Federal Fund					127,000	127,000	127,000			
Investment Income					850,000	850,000	850,000	935,000	935,000	935,000
AGENCY	**TOTAL**				**977,000**	**977,000**	**977,000**	**935,000**	**935,000**	**935,000**

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: **WORKFORCE DEVELOPMENT CABINET**

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**DEPT FOR ADULT & TECHNICAL EDUCATION**										
3	IND. TECHNOLOGY UPGRADE-HAZARD SVTS	BF				2,125,000	2,125,000	2,125,000			
21	HVAC SYSTEM REPLACE - HAZARD SVTS	SS				266,000	266,000	266,000			
AGENCY		**TOTAL**				**2,391,000**	**2,391,000**	**2,391,000**			
Bond Fund						2,125,000	2,125,000	2,125,000			
Surplus Bond Proceeds						266,000	266,000	266,000			
AGENCY		**TOTAL**				**2,391,000**	**2,391,000**	**2,391,000**			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: **WORKFORCE DEVELOPMENT CABINET**

Proj #	Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
AGENCY:	**DEPT OF VOCATIONAL REHABILITATION**										
2	BULL/HONEYWELL MINICOMPUTER UPGRADE	FF				270,000	270,000	270,000			
3	TWO COLOR PRESS-PERKINS REHAB CTR	FF				55,000	55,000	55,000			
AGENCY	**TOTAL**					**325,000**	**325,000**	**325,000**			
Federal Fund						325,000	325,000	325,000			
AGENCY	**TOTAL**					**325,000**	**325,000**	**325,000**			

CONFERENCE ANALYSIS
1992 GENERAL ASSEMBLY - CAPITAL BUDGET

03/30/92

CABINET/FUNCTION: WORKFORCE DEVELOPMENT CABINET

Proj # Projects	Fund Source	House FY 1991-92	Senate FY 1991-92	Conference FY 1991-92	House FY 1992-93	Senate FY 1992-93	Conference FY 1992-93	House FY 1993-94	Senate FY 1993-94	Conference FY 1993-94
CABINET/FUNCTION	TOTAL				3,693,000	3,693,000	3,693,000	935,000	935,000	935,000
Federal Fund					452,000	452,000	452,000			
Bond Fund					2,125,000	2,125,000	2,125,000			
Investment Income					850,000	850,000	850,000	935,000	935,000	935,000
Surplus Bond Proceeds					266,000	266,000	266,000			
CABINET/FUNCTION	TOTAL				3,693,000	3,693,000	3,693,000	935,000	935,000	935,000

The Committee on Counties and Special Districts reported **HB 495**, with Committee Substitute attached thereto, **HB 527**, with Committee Amendment attached thereto, **HB 661**, with Committee Amendment attached thereto, **HB 765** and **HB 675** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 495, AN ACT relating to revenue and taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 91A.080 is amended to read as follows:

(1) The legislative body of each city, [~~or~~] county or urban-county government which elects to impose and collect license fees or taxes upon insurance companies for the privilege of engaging in the business of insurance may enact or change its license fee or rate of tax to be effective January 1 or July 1 of each year on a prospective basis only, and shall file with the commissioner of insurance, at least sixty (60) days prior to the effective date, a copy of all ordinances and amendments [~~thereto~~] which impose ***the*** [~~any such~~] license fee or tax. The commissioner of insurance shall promptly notify each insurance company engaged in the business of insurance in the Commonwealth of ***the*** [~~these~~] cities, ***counties,*** [~~or county~~] or urban-county governments which have elected to impose [~~such~~] license fees or taxes and the current amount of ***each*** [~~such~~] license fee or rate of tax.

(2) Any license fee or tax imposed by [~~such~~] a city, [~~or~~] county, or urban-county government upon an insurance company with respect to life insurance policies[~~,~~] may be based upon the first year's premiums, and if so based, shall be applied to the [~~amount of such~~] premiums actually collected within each calendar quarter upon the lives of persons residing within the corporate limits of ***the*** [~~such~~] city, [~~or~~] county, or urban-county government.

(3) Any license fee or tax imposed by [~~such~~] a city, [~~or~~] county, or urban-county government upon any insurance company with respect to any policy ***other than*** [~~which is not~~] a life insurance policy shall be based upon the premiums actually collected by ***the*** [~~such~~] company within each calendar quarter on risks located within the corporate limits of the city, [~~or~~] county, or urban-county government [~~on those classes of business which such company is authorized to transact~~], less all premiums returned to policyholders; however, any license fee or tax imposed upon premium receipts shall not include premiums received for insuring employers against liability for personal injuries to their employees, or death caused thereby, under the provisions of the Workers' Compensation Act.

(4) The Department of Insurance shall, by administrative regulation, provide for a reasonable collection fee to be retained by the insurance company or its agent as compensation for collecting the ***license fee or*** tax, except that the collection fee shall not be more than fifteen percent (15%) of the ***license*** fee or tax collected and remitted to the city, county or urban-county government or two percent (2%) of the premiums subject to the ***license fee or*** tax, whichever is less. To facilitate computation, collection, and remittance of the ***license*** fee or tax [~~and collection fee provided in this section, the fees or taxes~~] set out in subsection (1), (2), or (3) of this section, ***and*** [~~together with~~] the collection fee ***set out*** in this section, ***all fees and taxes*** may be rounded off to the nearest dollar amount.

(5) Pursuant to KRS 304.3-270, if any other state retaliates against any Kentucky domiciliary insurer because of the requirements of this section, the commissioner of insurance shall impose an equal tax upon the premiums written in this state by insurers domiciled in the other state.

(6) Accounting and reporting procedures for collection and reporting of the ***license*** fees or taxes, and the collection fee [~~herein provided~~] shall be determined by administrative regulations promulgated by the Department of Insurance.

(7) Upon written request of the legislative body of any city, [~~or~~] county, or urban-county government, [~~at the expense of the requesting city or county or urban-county government, which shall be paid in advance by such city or county or urban-county government to the Department of Insurance,~~] the Department of Insurance shall examine or cause to be examined by contract with qualified auditors the books ***and*** [~~or~~] records of the insurance companies or agents subject to ***any license*** [~~such~~] fee or tax ***imposed by the requesting city, county, or urban-county government,*** to determine whether the ***license*** fee or tax is being properly collected and remitted.[~~, and~~] The findings of ***the*** [~~such~~] examination shall be reported to ***the requesting*** [~~such~~] city, [~~or~~] county, or urban-county government. ***The expense of any examination conducted pursuant to the request of a city, county, or urban county government shall be borne by the requesting city, county, or urban county government, and shall be paid in advance to the Department of Insurance.*** Willful failure to properly collect and remit the ***license*** fee or tax imposed by a city, [~~or~~] county, or urban-county government pursuant to the authority granted by this section shall constitute grounds for the revocation of the license issued to an insurance company or agent under the provisions of KRS Chapter 304.

(8) The license fees or taxes provided for by subsections (2)[~~;~~] and (3) of this section shall be due thirty (30) days after the end of each calendar quarter. Annually, by March 31, each insurer shall furnish each city, [~~or~~] county, or urban-county government, to which ***a license fee or*** [~~the~~] tax [~~or fee~~] is remitted, with a breakdown of all collections ***during*** [~~in~~] the preceding calendar year for the following categories of insurance:

(a) Casualty;

(b) Automobile;

(c) Inland marine;

(d) Fire and allied perils;

(e) Health; and

(f) Life.

(9) Any license fee or tax not paid on or before the due date shall bear interest at the tax interest rate as defined in KRS 131.010(6) from the date due until paid. [~~Such interest payable to the city or county or urban-county government is separate of penalties provided for in subsection (6) of this section. No city or county or urban-county government may impose any penalties other than those provided for in this subsection.~~]

(10) No license fee or tax imposed under this section shall apply to premiums received on policies of group health insurance provided for state employees under KRS 18A.225(2) and 18A.228.

(11) No county may impose the ***license fee or*** tax authorized by this section upon the premiums received on policies issued to public service companies which pay ad valorem taxes.

(12) Insurance companies which pay license fees or taxes pursuant to this section shall credit city license fees or taxes against the same license fees or taxes levied by the county, when the license fees or taxes are levied by the county on or after July 13, 1990.

(13) After December 31, 1993, no license fee or tax imposed by a county subject to the provisions of this section shall exceed a rate of six percent (6%) of the premiums collected.

The Committee Substitute to **HB 495** is as follows:

HB 495, AN ACT relating to revenue and taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 91A.080 is amended to read as follows:

(1) The legislative body of each city, [~~or~~] county or urban-county government which elects to impose and collect license fees or taxes upon insurance companies for the privilege of engaging in the business of insurance may enact or change its license fee or rate of tax to be effective January 1 or July 1 of each year on a prospective basis only, and shall file with the commissioner of insurance, at least sixty (60) days prior to the effective date, a copy of all ordinances and amendments [~~thereto~~] which impose ***the*** [~~any such~~] license fee or tax. The commissioner of insurance shall promptly notify each insurance company engaged in the business of insurance in the Commonwealth of ***the*** [~~these~~] cities, ***counties,*** [~~or county~~] or urban-county governments which have elected to impose [~~such~~] license fees or taxes and the current amount of ***each*** [~~such~~] license fee or rate of tax.

(2) Any license fee or tax imposed by [~~such~~] a city, [~~or~~] county, or urban-county government upon an insurance company with respect to life insurance policies[~~,~~] may be based upon the first year's premiums, and if so based, shall be applied to the [~~amount of such~~] premiums actually collected within each calendar quarter upon the lives of persons residing within the corporate limits of ***the*** [~~such~~] city, [~~or~~] county, or urban-county government.

(3) Any license fee or tax imposed by [~~such~~] a city, [~~or~~] county, or urban-county government upon any insurance company with respect to any policy ***other than*** [~~which is not~~] a life insurance policy shall be based upon the premiums actually collected by ***the*** [~~such~~] company within each calendar quarter on risks located within the corporate limits of the city, [~~or~~] county, or urban-county government [~~on those classes of business which such company is authorized to transact~~], less all premiums returned to policyholders; however, any license fee or tax imposed upon premium receipts shall not include premiums received for insuring employers

against liability for personal injuries to their employees, or death caused thereby, under the provisions of the Workers' Compensation Act.

(4) The Department of Insurance shall, by administrative regulation, provide for a reasonable collection fee to be retained by the insurance company or its agent as compensation for collecting the ***license fee or*** tax, except that the collection fee shall not be more than fifteen percent (15%) of the ***license*** fee or tax collected and remitted to the city, county or urban-county government or two percent (2%) of the premiums subject to the ***license fee or*** tax, whichever is less. To facilitate computation, collection, and remittance of the ***license*** fee or tax [~~and collection fee provided in this section, the fees or taxes~~] set out in subsection (1), (2), or (3) of this section, ***and*** [~~together with~~] the collection fee ***set out*** in this section, ***all fees and taxes*** may be rounded off to the nearest dollar amount.

(5) Pursuant to KRS 304.3-270, if any other state retaliates against any Kentucky domiciliary insurer because of the requirements of this section, the commissioner of insurance shall impose an equal tax upon the premiums written in this state by insurers domiciled in the other state.

(6) Accounting and reporting procedures for collection and reporting of the ***license*** fees or taxes, and the collection fee [~~herein provided~~] shall be determined by administrative regulations promulgated by the Department of Insurance.

(7) Upon written request of the legislative body of any city, [~~or~~] county, or urban-county government, [~~at the expense of the requesting city or county or urban-county government, which shall be paid in advance by such city or county or urban-county government to the Department of Insurance,~~] the Department of Insurance shall examine or cause to be examined by contract with qualified auditors the books ***and*** [~~or~~] records of the insurance companies or agents subject to ***any license*** [~~such~~] fee or tax ***imposed by the requesting city, county, or urban-county government,*** to determine whether the ***license*** fee or tax is being properly collected and remitted.[~~, and~~] The findings of ***the*** [~~such~~] examination shall be reported to ***the requesting*** [~~such~~] city, [~~or~~] county, or urban-county government. ***The expense of any examination conducted pursuant to the request of a city, county, or urban county government shall be borne by the requesting city, county, or urban county government, and shall be paid in advance to the Department of Insurance.*** Willful failure to properly collect and remit the ***license*** fee or tax imposed by a city, [~~or~~] county, or urban-county government pursuant to the authority granted by this section shall constitute grounds for the revocation of the license issued to an insurance company or agent under the provisions of KRS Chapter 304.

(8) The license fees or taxes provided for by subsections (2)[~~,~~] and (3) of this section shall be due thirty (30) days after the end of each calendar quarter. Annually, by March 31, each insurer shall furnish each city, [~~or~~] county, or urban-county government, to which ***a license fee or*** [~~the~~] tax [~~or fee~~] is remitted, with a breakdown of all collections ***during*** [~~in~~] the preceding calendar year for the following categories of insurance:

(a) Casualty;

(b) Automobile;

(c) Inland marine;

(d) Fire and allied perils;

(e) Health; and

(f) Life.

(9) Any license fee or tax not paid on or before the due date shall bear interest at the tax interest rate as defined in KRS 131.010(6) from the date due until paid. [~~Such interest payable to the city or county or urban-county government is separate of penalties provided for in subsection (6) of this section. No city or county or urban-county government may impose any penalties other than those provided for in this subsection.~~]

(10) No license fee or tax imposed under this section shall apply to premiums received on policies of group health insurance provided for state employees under KRS 18A.225(2) and 18A.228.

(11) No county may impose the ***license fee or*** tax authorized by this section upon the premiums received on policies issued to public service companies which pay ad valorem taxes.

(12) Insurance companies which pay license fees or taxes pursuant to this section shall credit city license fees or taxes against the same license fees or taxes levied by the county, when the license fees or taxes are levied by the county on or after July 13, 1990.

(13) After December 31, 1993, no license fee or tax imposed by a county subject to the provisions of this section with respect to life insurance policies shall exceed a rate of six percent (6%) of the premiums collected.

(14) After December 31, 1993, no county shall impose a license fee or tax subject to the provisions of this section with respect to health insurance policies.

HB 527, AN ACT relating to county employees.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 61 IS CREATED TO READ AS FOLLOWS:

(1) For the purpose of this section, "excess fees" means fees and commissions in an amount greater than the total salaries and expenses that are required by law to be paid by an office.

(2) Notwithstanding the provisions of KRS 64.530(3), a sheriff or county clerk whose office earns excess fees during any fiscal year, and whose employees are not being provided with health insurance or health maintenance organization coverage by county government or by an agency of county government on the day that fiscal year closes, shall purchase health insurance or health maintenance organization coverage, effective within one (1) month after the close of the fiscal year, that will cover all employees of the office, including the sheriff or county clerk if he desires, for at least twelve (12) months.

(3) The type and extent of the health insurance or health maintenance organization coverage shall be determined by the sheriff or county clerk. The coverage shall be reasonable in relation to the amount of money available from the excess fees.

(4) If a sheriff's or county clerk's office earns excess fees during any fiscal year, but the excess fees are not sufficient, in the judgment of the sheriff or county clerk, to provide employees with a reasonable degree of health insurance or health maintenance organization coverage, the sheriff or county clerk may use a combination of employee contributions and excess fees to purchase the insurance or coverage.

(5) A sheriff or county clerk may purchase health insurance or health maintenance organization coverage under this section in cooperation with any governmental unit or combination of units allowed to cooperatively purchase coverage under KRS 79.080.

The Committee Amendment No. 1 to **HB** 527 is as follows:

Amend printed copy of **HB** 527 on Page 1, line 13, by deleting "***shall***" and by substituting therefor "***may***".

HB 661, AN ACT relating to criminal charges against mentally ill persons.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 202A.041 is amended to read as follows:

(1) Any peace officer who has reasonable grounds to believe that an individual is mentally ill and presents a danger or threat of danger to self, family or others if not restrained shall detain that person without a warrant. The peace officer shall, if no other party can be found, swear out a warrant and take the arrested person without unnecessary delay before a judge. Only in exceptional cases should the delay exceed twelve (12) hours. The judge shall release the individual if no warrant has been taken out. The judge shall, unless either the court or one (1) of the parties objects, implement the procedures as provided in KRS 202A.028 and order the person to be examined without unnecessary delay by a qualified mental health professional. Following that, the procedures as provided in KRS 202A.028 shall be carried out. Otherwise, the court shall order the person arrested to be examined without unnecessary delay by two (2) qualified mental health professionals, at least one (1) of whom shall be a physician. The qualified mental health professionals shall certify to the court, within twenty-four (24) hours of the examination, their findings and opinions as to whether the person should be involuntarily hospitalized.

(2) If the criteria for involuntary hospitalization are certified by two (2) qualified mental health professionals, the court shall set a preliminary hearing within six (6) days from the date of arrest (excluding weekends and holidays) to determine if there is probable cause to believe the person should be involuntarily hospitalized.

(3) Prior to the preliminary hearing, the court shall notify the respondent, his legal guardian, if any and if known, and his spouse, parents, or nearest known relative or friend concerning the involuntary hospitalization proceedings and the date and purpose of the preliminary hearing; and the name, address and telephone number of the attorney appointed to represent the respondent.

(4) If upon completion of the preliminary hearing, the court finds there is probable cause to believe the person should be involuntarily hospitalized, the court shall order a final hearing within twenty-one (21) days from the date of the arrest to determine if the person should be involuntarily hospitalized for a period of sixty (60) days.

(5) Prior to the final hearing, the county attorney shall file in the record and serve a copy thereof upon the respondent, a statement setting forth the alleged factual reasons or basis upon which the Commonwealth intends to rely in seeking the involuntary hospitalization of the respondent. The required statement shall be served upon the respondent at the earliest practical time, in any event, sufficiently in advance of the final hearing to permit preparation for the hearing by respondent.

(6) If upon completion of the final hearing, the court finds the person should be involuntarily hospitalized, the court shall order the person hospitalized in a hospital where treatment is available for a period not to exceed sixty (60) consecutive days from the date of the court order.

(7) No peace officer or any other person shall place criminal charges against a person who is mentally ill and in need of hospitalization pursuant to KRS Chapter 202A solely or primarily for the purpose of placing that person in jail rather than in a mental health facility.

The Committee Amendment No. 1 to **HB 661** is as follows:

Amend printed copy of **HB 661** on page 1, line 9, by inserting the following after the word "judge.": "***If the peace officer determines that the person requires shelter or confinement between the time he is detained and the time he is taken before the judge, the peace officer shall make a reasonable effort to house the person in a hospital or mental health facility. Only in exceptional cases should the person be housed in a jail, and*** "; and

on page 1, line 9, by lowercasing the word "Only".

HB 765, AN ACT relating to local government.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 61 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, "appointed public official" shall mean any nonelected individual appointed by a unit of local government.

(2) All appointed public officials shall be residents of the Commonwealth at the time they are appointed and shall remain so throughout the term of their office.

HB 675, AN ACT relating to county properties.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 67.130 is amended to read as follows:

The fiscal court of each county shall be responsible for the maintenance and operation of all county buildings, grounds, and other properties. ***The fiscal court shall have authority superior to that of any other agency or employee of county government in the furnishing, decoration, arrangement, upkeep, and regulation of county buildings, grounds, and other properties.*** The county judge/executive shall execute the policies of the fiscal court relating to buildings, grounds, and other properties. The county judge/executive, with the approval of the fiscal court, may employ the jailer as superintendent of such county buildings, grounds, and other properties at the county seat as he deems appropriate. The fiscal court of each county shall annually appropriate a sum sufficient to purchase the labor and materials necessary to maintain and operate county property, including the jailer's residence if owned by the county, and to keep the jailer's residence in repair and in clean, comfortable and presentable condition. Any sum appropriated for maintenance and operation of the jailer's residence shall be expended by the jailer. The county attorney shall bring civil action in the name of the county to recover possession of or for injury to or intrusion or trespass upon any such county property, and the net proceeds of any such recovery shall be paid into the county treasury.

Announcements

The following meetings were announced:

Budget Review Subcommittee on General Government, 2:00 p.m., March 9, 1992.

Counties and Special Districts, March 6, 1992, upon adjournment.

Adjournment

Representative Stumbo moved that the House adjourn until 4:00 p.m., Monday, March 9, 1992.

The motion that the House adjourn until 4:00 p.m., Monday, March 9, 1992 was adopted by voice vote.

MONDAY, MARCH 9, 1992

FORTIETH LEGISLATIVE DAY

The House was called to order by Speaker Blandford.

Prayer by Reverend John R. Hughes, Church of the Ascension, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present except Representatives Jensen, McElroy, Stokes, and Walker.

Representative Overstreet moved that the absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative Overstreet moved that the reading of the Journal of March 6, 1992 be dispensed with and the same approved. Agreed.

Introduction of Bills and Resolutions

HR 180, by Representative Riner: A RESOLUTION in honor of Donald Woolett, composer of "Kentucky Dreams," an official Bicentennial Song.

Reference of Bills and Resolutions

The Clerk reported that the Committee on Committees has referred the following Bills:

Elections and Constitutional Amendments: **SB 221**

State Government: **SB 251**

Transportation: **SB 275, SB 305**

Senate Message

Announcing passage of **SB 152, SB 202, SB 229, SB 250, SB 285, SB 287, SB 298, SB 306, SB 318, SCR 83, SJR 87, HB 372** with Senate Committee Amendments, **HB 120, HB 371** and **HB 409.** (Time: 2:04 p.m.)

Posting of Bills and Resolutions for Consideration

The Clerk announced that the following Bills have been posted for Committee consideration:

Health and Welfare: **HB 740, HB 798, HB 799, HB 903, HB 904, HB 934, HB 929, SB 129, SB 170, HB 634**

Education: **HB 723**

Appropriations and Revenue: **SB 50**

Floor Amendments

Floor Amendment No. 7 to the Committee Substitute to **HB 241**, by Representative Sheehan:

Amend printed copy of **HB 241/HCS** on page 22, line 18, to place a bracket "[" before the colon ":" and to strike through; and

On page page 22, line 19, by placing a bracket "]" after "(a) and striking through "(a)"; and

On page 22, line 21, to place a period "." after "convicted" and to place a bracket "[" before the comma "," and strike through the comma and the remainder of the line; and

On page 22, line 22 to 26, to strike through the same and to place a bracket "]" after the period "."; and

On page 23, line 14, to place a bracket "[" in front of the colon ":" and to strike through the colon; and

On page 23, lines 15 through 21, to strike through the same; and

On page 23, line 22, to place a bracket "]" after "(b)" and to strike through the same.

Calendar

HB 451, **HB 467**, **HB 468**, **HB 495**, **HB 527**, **HB 661**, **HB 765** and **HB 675** taken from the Calendar and ordered read at length for the second time. Representative Stumbo moved that they be read by title only. Agreed by a majority of members elected. Ordered referred tommittee on Rules.

Recess

Representative Stumbo moved that the House recess for five minutes for a meeting of the Committee on Rules. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Representative Stumbo moved that the rules be suspended for a report of the Committee on Rules. Agreed.

Report of Committees

The Committee on Rules reported that **HB 585**, **HB 206**, **HB 318**, **HB 496**, **HB 512**, **HB 584**, **HB 637**, **HB 652**, **HJR 85**, **HJR 86**, **HJR 87**, **HB 451**, **HB 467**, **HB 468**, **HB 527**, **HB 661**, **HB 675** and **HB 765** have been posted for passage in the Orders of the Day for March 11, 1992.

The Committee on Rules reported that the following Bill has been recommitted:

Appropriations and Revenue: **HB 32**

Orders of the Day

HB 615 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Richardson moved that **HB 615** be passed.

On the roll call the vote was: Yeas 88, Nays 0. (See March 9, 1992 roll call on **HB 615** - Appendix.)

HB 615 was passed and the title agreed to.

Representative Richardson moved that the vote by which **HB 615** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 44 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative L. Clark moved that **HB 44** be passed.

On the roll call the vote was: Yeas 77, Nays 1. (See March 9, 1992 roll call on **HB 44** - Appendix.)

HB 44 was passed and the title agreed to.

Representative L. Clark moved that the vote by which **HB 44** was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported that **SB 55** and **SB 211** have been examined and found correctly enrolled. Said Bills were read at length, compared and signed in open session by the Speaker, and ordered delivered to the Senate. (Time - 4:17 p.m)

Orders of the Day (Continued)

HB 497, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hatcher moved the adoption of Floor Amendment No. 1 to **HB 497**. Agreed.

Representative Nunn moved that **HB 497**, as amended, be passed.

On the roll call the vote was: Yeas 75, Nays 15. (See March 9, 1992 roll call on **HB 497** - Appendix.)

HB 497, as amended, was passed and the title agreed to.

Representative Nunn moved that the vote by which **HB 497**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

HB 207 was delivered to the Senate and signed by the President. Delivered to the Governor on March 9, 1992 at 4:13 p.m.

Floor Amendments (Continued)

Floor Amendment No. 1 to the Committee Substitute to **HB 524**, by Representative Morris:

Amend printed copy of **HB 524/HCS** on page 1, between lines 6 and 7, by inserting the following:

"Section 2. That, to facilitate the study required by Section 1 of this Act, the State Treasurer and the Revenue Cabinet shall enter into an agreement by August 1, 1992, to allow the Revenue Cabinet to deposit tax receipts directly with a depository utilized by the Commonwealth for its primary banking services. The purpose of the agreement shall be to allow the Program Review and Investigations Committee to make an evaluation of the monetary benefits to be realized by the Commonwealth by allowing the deposit of tax receipts directly into a state depository rather than routing tax receipts through the State Treasurer."; and

On page 1, line 7, by changing "Section 2" to "Section 3"; and

On page 1, line 11, by changing "Section 3" to "Section 4".

Floor Amendment No. 3 to the Committee Substitute to **HB 433**, by Representative Morris:

Amend printed copy of **HB 433/HCS** on page 6, after line 15 by inserting the following:

"Section 4. KRS 304.33-330 is amended to read as follows:

(1) [~~Setoffs allowed in general.~~] Mutual debt or mutual credits***, whether arising out of one (1) or more contracts,*** between the insurer and another person in connection with any action or proceeding under this subtitle shall be set off and the balance only shall be allowed or paid, except as provided in subsection (2) of this section ***and KRS 304.33-215***.

(2) [~~Exceptions. No~~] Setoff [~~or counterclaim~~] shall ***not*** be allowed in favor of any person ***if*** [~~where~~]:

(a) The obligation of the insurer to the person would not at the date of the filing of a petition for ***rehabilitation or*** liquidation entitle ***the person*** [~~him~~] to share as a claimant in the assets of the insurer;

(b) The obligation of the insurer to the person was purchased by or transferred to the person with a view to its being used as a setoff;

(c) ***The obligation of the insurer is owed to an affiliate of the person, or any other entity or association other than the person;***

(d) The obligation of the person is owed to an affiliate of the insurer, or any other entity or association other than the insurer;

(e) The obligation of the person is to pay an assessment levied against the members or subscribers of the insurer, or is to pay a balance upon a subscription to the capital stock of the insurer, or is in any other way in the nature of a capital contribution; [~~or~~]

(f) The obligation of the person is to pay premiums, whether earned or unearned, to the insurer***; or***

(g) The obligations between the person and the insurer arise out of transactions where either the person or the insurer has assumed risks and obligations from the other party and then has ceded back to that party substantially the same risks and obligations.

(3) The rehabilitator or liquidator shall provide persons with accounting statements identifying debts which are due and payable. Where a person owes to the insurer amounts which are due and payable, against which the person asserts setoff of mutual credits which may become due and payable from the insurer in the future, the person shall promptly pay to the rehabilitator or liquidator the amounts due and payable; provided that, notwithstanding KRS 304.33-430, the rehabilitator or liquidator shall promptly and fully refund to the extent of the person's prior payments, any mutual credits that become due and payable to the person by the insurer.

(4) These amendments shall apply to all contracts entered into, renewed, extended, or amended on or after six (6) months from the effective date of this Act. For purposes of this section, any change in the terms of, or consideration for, any contract shall be an amendment."; and

On page 6, line 16, after "SECTION" by deleting ***"4"*** and inserting in lieu thereof ***"5"***.

Orders of the Day (Continued)

HB 597, with Committee Substitute and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Nunn moved the adoption of the Committee Substitute to **HB 597**. Agreed.

Representative Farrow moved the adoption of Floor Amendment No. 2 to the Committee Substitute to **HB 597**. Agreed.

Representative Mason moved the adoption of Floor Amendment No. 3 to **HB 597**.

Representative Geveden inquired whether Floor Amendment No. 3 to the Committee Substitute is germane to **HB 597**.

The Speaker ruled that Floor Amendment No. 3 to the Committee Substitute is germane to **HB 597**.

On the roll call the vote was yeas 27—Adkins, Barrows, Bentley, Bowling, Brown, Bruce, Burch, Collins, Crupper, Cyrus, Deskins, Gedling, Heleringer, Hourigan, Lile, Little, Mack, Maggard, Mason, Moberly, Nelson, Noe, Ridley, Scorsone, T. Smith, Stumbo, Worthington. Nays 58—Ackerson, Allen, Altman, Ark, Arnold, Blandford, Bronger, Bryant, Butler, Caseier, Castleman, L. Clark, P. Clark, Clarke, Coleman, Curd, Farley, Farrow, Ford, Freibert, Gee, Geveden, Gray, Gregory, J. Harper, K. Harper, Hatcher, Johnson, Jones, Lear, LeMaster, Lewis, Long, Lyne, Mullinix, Napier, Noland, Northup, Nunn, Overstreet, Palumbo, Pritchett, Ravenscraft, Reinhardt, Richards, Riggs, Riner, Sanders, B. Smith, R. Smith, Strong, Toby, Todd, Turner, Wayne, Williams, Yates, Zimmerman.

Floor Amendment No. 3 to the Committee Substitute to **HB 597** was rejected.

Representative Nunn moved that **HB 597**, by way of Committee Substitute as amended, be passed.

On the roll call the vote was: Yeas 86, Nays 6. (See March 9, 1992 roll call on **HB 597** - Appendix.)

HB 597, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Nunn moved that the vote by which **HB 597**, by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 464 taken from the Orders of the Day. Representative Stumbo moved that it be read by title only. Agreed by a majority of members elected.

Representative Ford moved that Committee Amendment No. 1 to **HB 464** be reconsidered.

The Speaker ruled that the motion that Committee Amendment No. 1 to **HB 464** be reconsidered is out of order and that said motion may be made during the Motion, Petition and Communications hour.

The Speaker ruled that **HB 464** will remain in the Orders of the Day.

Report on Enrolled Bills

The Committee on Enrollment reported that **HB 409**, **HB 371** and **HB 120** have been examined and found correctly enrolled. Said Bills were read at length, compared and signed in open session by the Speaker, and ordered delivered to the Senate. (Time - 4:40 p.m.)

HB 409, **HB 371** and **HB 120** were delivered to the Senate and signed by the President. Delivered to the Governor on March 9, 1992 at 5:02 p.m.

Floor Amendments (Continued)

Floor Amendment No. 1 to the Committee Substitute to **HB 607**, by Representative Lear:

Amend printed copy of **HB 607/HCS** on page 5, line 6, before "." by adding the following "***or appointed as otherwise provided by the comprehensive plan of an urban county government***".

Orders of the Day (Continued)

HB 772, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Rapier moved the adoption of Committee Amendment No. 1 to **HB 772**. Agreed.

Representative Rapier moved that **HB 772**, as amended, be passed.

On the roll call the vote was: Yeas 93, Nays 0. (See March 9, 1992 roll call on **HB 772** - Appendix.)

HB 772, as amended, was passed and the title agreed to.

Representative Rapier moved that the vote by which **HB 772**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 438 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Sheehan moved that **HB 438** be passed.

On the roll call the vote was: Yeas 83, Nays 0. (See March 9, 1992 roll call on **HB 438** - Appendix.)

HB 438 was passed and the title agreed to.

Representative Sheehan moved that the vote by which **HB 438** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 477 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Sheehan moved that **HB 477** be passed.

On the roll call the vote was: Yeas 95, Nays 0. (See March 9, 1992 roll call on **HB 477** - Appendix.)

HB 477 was passed and the title agreed to.

Representative Sheehan moved that the vote by which **HB 477** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 483, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Noe moved the adoption of Floor Amendment No. 1 to **HB 483**. Agreed.

Representative Noe moved that **HB 483**, as amended, be passed.

On the roll call the vote was: Yeas 90, Nays 0. (See March 9, 1992 roll call on **HB 483** - Appendix.)

HB 483, as amended, was passed and the title agreed to.

Representative Noe moved that the vote by which **HB 483**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 582, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Kerr moved the adoption of Committee Amendment No. 1 to **HB 582**. Agreed.

Representative Kerr moved that **HB 582**, as amended, be passed.

On the roll call the vote was: Yeas 91, Nays 0. (See March 9, 1992 roll call on **HB 582** - Appendix.)

HB 582, as amended, was passed and the title agreed to.

Representative Kerr moved that the vote by which **HB 582**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Floor Amendments (Continued)

Floor Amendment No. 1 to **HB 387**, by Representative Burch:

Amend printed copy of **HB 387** on page 2, line 8, after "*Inc.*" by inserting "***Each member appointed shall represent a service or facility in which not less than fifty-one percent (51%) of its residents or patients are Medicaid recipients.***"

And on page 4, line 14, after "*Inc.*" by inserting "***Each member appointed shall represent a facility in which not less than fifty-one percent (51%) of its residents are Medicaid recipients***"

And on page 6, line 18, after "*Inc.*" by inserting "***which member shall represent a facility in which not less than fifty-one percent (51%) of its residents are Medicaid recipients***"

And on page 8, line 11, after "***individuals***" by inserting "***representing facilities in which no less than fifty-one percent (51%) of their residents are Medicaid recipients***".

Floor Amendment No. 1 to the Committee Substitute to **HB 468**, by Representative Jones:

Amend printed copy of **HB 468/HCS** on page 86, line 17, after the word "is" and before the word "in" delete "450,000" and insert in lieu thereof "500,000"; and

On page 86, lines 20 and 21, delete lines 20 and 21 in their entirety.

Orders of the Day (Continued)

HB 545, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lewis moved the adoption of the Committee Substitute to **HB 545**. Agreed.

Representative Lewis moved that **HB 545**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 92, Nays 0. (See March 9, 1992 roll call on **HB 545** - Appendix.)

HB 545, by way of Committee Substitute, was passed and the title agreed to.

Representative Lewis moved that the vote by which **HB 545**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 601 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Pritchett moved that **HB 601** be passed.

On the roll call the vote was: Yeas 91, Nays 0. (See March 9, 1992 roll call on **HB 601** - Appendix.)

HB 601 was passed and the title agreed to.

Representative Pritchett moved that the vote by which **HB 601** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 646, with Committee Substitute and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved the adoption of Floor Amendment No. 1 to **HB 646**. Agreed.

Representative LeMaster moved that **HB 646**, as amended, be passed.

On the roll call the vote was: Yeas 94, Nays 0. (See March 9, 1992 roll call on **HB 646** - Appendix.)

HB 646, as amended, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 646**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 115, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Long moved the adoption of the Committee Substitute to **HB 115**. Agreed.

Representative Long moved that **HB 115**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 87, Nays 3. (See March 9, 1992 roll call on **HB 115** - Appendix.)

HB 115, by way of Committee Substitute, was passed and the title agreed to.

Representative Long moved that the vote by which **HB 115**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

Floor Amendments (Continued)

Floor Amendment No. 1 to **HJR 124**, by Representative Sanders:

Amend printed copy of **HJR 124** by amending the title to read as follows: "A JOINT RESOLUTION relating to Kentucky highways."

Floor Amendment No. 2 to **HJR 124**, by Representative Sanders:

Amend printed copy of **HJR 124** on page 1, in the last "WHEREAS" clause after the semicolon ";" insert "and"; and

On page 1, after the last "WHEREAS" clause and before "NOW, THEREFORE," insert the following:

"WHEREAS, Kentucky Routes 70, 101, and 259 serve as feeder routes to Mammoth Cave National Park and Nolin River Lake; and

WHEREAS, the state of Kentucky is extremely fortunate to have within its boundaries two such magnificent tourist attractions; and

WHEREAS, the communities along these routes rely heavily upon tourism dollars, and would benefit greatly from any attempt to increase tourism efforts; and

WHEREAS, a designation of this nature would further inform the traveling public of the natural attractions that lie along these corridors;"; and

On page 2, between lines 1 and 2, insert the following:

"Section 2. That the secretary of the Transportation Cabinet be urged to designate Kentucky Route 70, Kentucky Route 101, and Kentucky Route 259 as scenic corridors from their origins at Smiths Grove exit on Interstate 65 and the Cave City exit on Interstate 65 to their northern reaches, not to extend past Mammoth Cave National Park nor Nolin River Lake.

Section 3. That the Secretary of the Transportation Cabinet shall ensure that signs shall be erected along the routes designated in Section 2 of this Resolution no later than July 30, 1992."; and

On page 2, line 2, renumber existing "Section 2" as "Section 4".

Orders of the Day (Continued)

HB 256, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lewis moved the adoption of the Committee Substitute to **HB 256**. Agreed.

Representative Lewis moved that **HB 256**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 93, Nays 0. (See March 9, 1992 roll call on **HB 256** - Appendix.)

HB 256, by way of Committee Substitute, was passed and the title agreed to.

Representative Lewis moved that the vote by which **HB 256**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 674, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Jones moved the adoption of Committee Amendment No. 1 to **HB 674**. Agreed.

Representative Jones moved that **HB 674**, as amended, be passed.

On the roll call the vote was: Yeas 85, Nays 2. (See March 9, 1992 roll call on **HB 674** - Appendix.)

HB 674, as amended, was passed and the title agreed to.

Representative Jones moved that the vote by which **HB 674**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HCR 13, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Amendment No. 1 to **HCR 13** is as follows:

Amend printed copy of **HCR 13/GA** on page 1, in the third "WHEREAS" clause, after the word "to" delete "New Orleans" and insert in lieu thereof "Miami".

Representative Hancock moved that the House concur in Senate Amendment No. 1 to **HCR 13**. Agreed.

Representative Hancock moved that **HCR 13**, as amended by the Senate, be adopted.

On the roll call the vote was: Yeas 92, Nays 0. (See March 9, 1992 roll call on **HCR 13** - Appendix.)

HCR 13, as amended by the Senate, was adopted.

Representative Hancock moved that the vote by which **HCR 13**, as amended by the Senate, was adopted be reconsidered and said motion be placed on the table. Agreed.

HCR 20, with Committee Substitute and Title Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Farley moved the adoption of the Committee Substitute to **HCR 20**. Agreed.

Representative Farley moved that **HCR 20**, by way of Committee Substitute, be adopted.

On the roll call the vote was: Yeas 93, Nays 0. (See March 9, 1992 roll call on **HCR 20** - Appendix.)

HCR 20, by way of Committee Substitute, was adopted.

Representative Farley moved the adoption of the Committee Title Amendment to **HCR 20**. Agreed; and the title was agreed to.

Representative Farley moved that the vote by which **HCR 20**, by way of Committee Substitute as amended, was adopted be reconsidered and said motion be placed on the table. Agreed.

HB 627 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Sheehan moved that **HB 627** be passed.

Representative Little moved that **HB 627** be laid on the Clerk's Desk.

On the roll call the vote was yeas 59—Ackerson, Adkins, Allen, Altman, Ark, Arnold, Ballard, Barrows, Bentley, Brown, Bruce, Bryant, Burch Casebier, Castleman, P. Clark, Clarke, Coleman, Collins, Crupper, Cyrus, Deskins, Farley, Farrow, Gedling, Gee, Gregory, Hancock, J. Harper, Hourigan, Jones, Keith, Lile, Little, Long, Mack, Maggard, Mason, Moberly, Mullinix, Nelson, Noe, Nunn, Overstreet, Ravenscraft, Richards, Richardson, Ridley, Riggs, Riner, Sanders, Scorsone, B. Smith, T. Smith, Strong, Stumbo, Toby, Turner, Worthington. Nays 25—Blandford, Bowling, Bronger, Callahan, L. Clark, Curd, Donnermeyer, Ford, Freibert, Geveden, Gray, K. Harper, Heleringer, Kerr, Lear, LeMaster, Lewis, Northup, Palumbo, Rapier, Reinhardt, Sheehan, R. Smith, Williams, Zimmerman.

The motion that **HB 627** be laid on the Clerk's Desk was adopted.

Motions, Petitions and Communications

Representative Stumbo moved that the three day posting requirement on **HB 669** be waived. Agreed.

Representative Stumbo moved that **HB 889** be reassigned to the Committee on Appropriations and Revenue. Agreed.

Representative Stumbo moved that the three day posting requirement on **HB 889** be waived. Agreed.

Representative Stumbo moved that the rules be suspended for Introduction of Resolutions, Report of Committees, Posting of Bills and Resolutions for Consideration and to allow co-sponsors. Agreed.

Introduction of Bills and Resolutions (Continued)

HR 181, by Representatives Ark, Morris, Ballard and Richardson: A RESOLUTION in commemoration of the tenth anniversary of the Vietnam Veterans Memorial in Washington, D.C.

HR 182, by Representatives Turner and Nunn: A RESOLUTION honoring Emerson Holmes Hendley.

HR 183, by Representative Lear: A RESOLUTION honoring Megan Kleine, Olympic Games qualifying swimmer from Lexington.

Posting of Bills and Resolutions for Consideration (Continued)

The Clerk announced that the following Bills and Resolutions have been posted for Committee consideration:

Business Organizations and Professions: **HB 902**

Appropriations and Revenue: **HB 776, HB 99, HCR 149, HB 101, HB 263, HB 220, HB 192, HB 167, HB 133**

Cities: **HB 852, HB 906, HB 917, SB 145**

Economic Development: **HB 762, HB 812, HB 873, HCR 170**

Counties and Special Districts: **HB 761, HB 792, HB 863, HB 869, HB 870, HB 882**

Elections and Constitutional Amendments: **HB 694, HB 857**

Labor and Industry: **HB 669**

The Clerk announced that the following Bills have been withdrawn from Committee consideration:

Elections and Constitutional Amendments: **HB 81, HB 290**

Motions, Petitions and Communications (Continued)

Representative Ford moved that the vote by which Committee Amendment No. 1 to **HB 464** was adopted be reconsidered.

Representative Overstreet inquired whether the motion to reconsider the vote by which Committee Amendment No. 1 to **HB 464** was adopted is in order.

The Speaker ruled that the motion that the vote by which Committee Amendment No. 1 to **HB 464** was adopted be reconsidered is in order.

Representative Barrows inquired if a motion can be made to reconsider a Floor Amendment.

The Speaker ruled that any motion will be in order during the Motions, Petitions and Communications hour.

On the roll call the vote was yeas 51—Adkins, Allen, Altman, Arnold, Blandford, Brown, Bruce, Bryant, Butler, Callahan, Casebier, P. Clark, Coleman, Curd, Farley, Ford, Freibert, Gee, Gray, Gregory, J. Harper, K. Harper, Heleringer, Johnson, Jones, Kerr, LeMaster, Lile, Lyne, Morris, Napier, Nelson, Noland, Northup, Pritchett, Reinhardt, Richards, Richardson, Ridley, Riner, B. Smith, T. Smith, Strong, Stumbo, Toby, Todd, Turner, Ward, Williams, Worthington, Yates. Nays 35—Ackerson, Ark, Barrows, Bentley, Bowling, Bronger, L. Clark, Clarke, Collins, Cyrus, Deskins, Donnermeyer, Gedling, Geveden, Hancock, Hatcher, Hourigan, Keith, Lear, Little, Long, Mack, Maggard, Mason, Moberly, Mullinix, Noe, Overstreet, Palumbo, Riggs, Sanders, Scorsone, Sheehan, R. Smith, Wayne.

The motion that Committee Amendment No. 1 to **HB 464** be reconsidered was adopted.

Representative Barrows moved that the vote by which Floor Amendment No.1 to **HB 464** was rejected be reconsidered.

On the roll call the vote was yeas 51—Ackerson, Allen, Ark, Arnold, Barrows, Bentley, Blandford, Bowling, Brown, Bruce, Butler, Callahan, L. Clark, Collins, Crupper, Cyrus, Deskins, Donnermeyer, Gedling, Geveden, Gray, K. Harper, Hatcher, Heleringer, Hourigan, Jones, Keith, Lewis, Little, Maggard, Mason, Moberly, Morris, Mullinix, Nelson, Noe, Nunn, Overstreet, Palumbo, Pritchett, Rapier, Reinhardt, Ridley, Riggs, Sheehan, B. Smith, T. Smith, Wayne, Worthington, Yates, Zimmerman. Nays 28—Adkins, Altman, Bryant, Casebier, Coleman, Farley, Ford, Freibert, Gee, Hancock, J. Harper, Johnson, Lear, LeMaster, Long, Mack, Napier, Noland, Northup, Richards, Riner, Sanders, Scorsone, Strong, Stumbo, Toby, Todd, Turner.

The motion that the vote on Floor Amendment No. 1 to **HB 464** was rejected be reconsidered was adopted.

Representative Turner moved the adoption of the following **HR 182**:

HR 182, A RESOLUTION honoring Emerson Holmes Hendley.

WHEREAS, Emerson Holmes Hendley, son of the former Lettie Claspell of Glasgow, Kentucky, in Barren County and Berlin Holmes Hendley of Fountain Run, Kentucky, in Monroe County was born January 4, 1922, at Fountain Run, Kentucky, near New Design Church; and

WHEREAS, Emerson Holmes Hendley's family moved to Indianapolis, Indiana, in 1924, where he started school at City School Number 47 on the near eastside and he graduated from Emmerich Manual Training High School at the old Union Street building near downtown in 1939; and

WHEREAS, Emerson Holmes Hendley served in the United States Army during World War II, entering October 23, 1941, and was sent to Camp Croft, South Caroline for basic training; thereafter, he was assigned to the 82nd Airborne Division, then transferred to the 830th Coastal Guard Artillery Regiment, Ft. Monroe, Virginia, protecting the naval ports in the Chesapeake Bay from enemy submarine intrusions from the Atlantic and was honorably discharged June 11, 1946, with such decorations as the American Theater Service Medal, the Good Conduct Medal and the World War II Victory Medal; and

WHEREAS, Emerson Holmes Hendley married the former Sarah Belle Brown of Wan, Virginia, on April 13, 1943, and of this union were born five children: Stephen Holmes Hendley of Gloucester Point, Virginia, Carol Ann Eubank of Ark, Virginia, Ronald Andrew Hendley of Gloucester Point, Virginia, Vernon Lee Hendley of Alaska, and Herbert Emerson Hendley of Sacramento, California; and

WHEREAS, Emerson Holmes Hendley started work in the Auto Body Repair industry at General Body Man Shop of Indianapolis, Indiana, in 1946, and then moved back to Gloucester, Virginia in 1952, where he spent the next nine years with Bell Motors, famous suppliers of military vehicles in Virginia during World War II; and

WHEREAS, Emerson Holmes Hendley started his own business at Gloucester, Virginia in 1960, called Master Body Shop; later in 1970, after dissolving his business, he formed a partnership at Newport News, Virginia, called Solamon, Hendley & Cumbie Body Repair and Used Cars, which he left in 1979, to work for Allen Buick of Newport News, Virginia, from which he retired in 1987; and

WHEREAS, Emerson Holmes Hendley was a member of the United States Coast Guard Auxilary's Search & Rescue Wing from 1957-1970, serving as Wing Commander of the 5th District twice where he was famous for using his own plane on missions; and

WHEREAS, Emerson Holmes Hendley was elected the first Vice President of The Hendley Family Association, Inc., on November 22, 1975, serving with distinction from 1976 to 1977, and succeeded to the position of Clan Elder, eldest of his branch, of the William Meredith Hendley Clan on April 13, 1987, and was commissioned a Kentucky Colonel by Governor Wallace G. Wilkinson on August 15, 1988.

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives sends its best wishes to Mr. Emerson Holmes Hendley, a native son, on the occasion of his retirement and commends him for his contributions to his family, to the Commonwealth of Kentucky, the Commonwealth of Virginia, and the states of Indiana and Tennessee.

Section 2. That the Clerk of the House shall transmit copies of this Resolution to Mr. & Mrs. Emerson Holmes Hendley, Mr. Stephen Holmes Hendley, Vice President of The Hendley Family Association, Inc., Mr. Ronald Andrew Hendley, Member, Board of Directors, The Hendley Family Association, Inc., and the other six elected officials of The Hendley Family Association, Inc.

HR 182 was adopted by voice vote.

Representative Wayne moved the adoption of the following **HR 177**:

HR 177, A RESOLUTION honoring the Saint Xavier High School Tigers boys' swim team for winning the State High School Swimming Championships.

WHEREAS, the Saint Xavier Tigers boys' swim team claimed the State High School Swimming Championships at the Harry Lancaster Aquatics Center at the University of Kentucky on February 22, 1992; and

WHEREAS, the Saint Xavier Tigers won handily and maintained their status as the number one boys' high school swimming power by winning their fourth straight title and twenty-eighth overall; and

WHEREAS, Saint Xavier broke two state records in the 200-yard and 400-yard freestyle relays; and

WHEREAS, Saint Xavier swim coach Marty O'Toole said his team is noted for their overall depth and that he is proud of his team, especially since the quality of swimming has improved so much in this Olympic year;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this august body does hereby congratulate and honor the Saint Xavier High School Tigers boys' swim team for winning the State High School Swimming Championships.

Section 2. That the House of Representatives commends the guidance and support provided the swimming Tigers by their parents, coach Marty O'Toole, and principal, Brother Edward Driscoll.

Section 3. That the Clerk of the House of Representatives is directed to transmit two copies of this Resolution to coach Marty O'Toole, Saint Xavier High School, 1609 Popular Level Road, Louisville, Kentucky 40217.

HR 177 was adopted by voice vote.

Representative Lear moved the adoption of the following **HR 183**:

HR 183, A RESOLUTION honoring Megan Kleine, Olympic Games qualifying swimmer from Lexington.

WHEREAS, Megan Kleine, a seventeen year old swimmer from Lexington, is a junior at Henry Clay High School and renowned throughout the Commonwealth for her swimming prowess; and

WHEREAS, Megan Kleine swims for Henry Clay but trains under the direction of head coach John Brucato of Wildcat Aquatics, a United States Swimming team of age-group swimmers that practice at the Lancaster Aquatics Center at the University of Kentucky; and

WHEREAS, Megan Kleine will now be representing the United States of America at the Olympic games in Barcelona, Spain this summer, after gualifying for the Olympic Team at the United States Olympic Swimming Trials in Indianapolis last week; and

WHEREAS, Megan Kleine, a state and national champion in the breaststroke, was just hoping to finish in the top five, but much to her shocked elation pulled out a second place finish in the 100 meter breastroke;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this august body does hereby congratulate and honor Megan Kleine for qualifying for the United States Olympic Swimming Team.

Section 2. That this esteemed institution does hereby express its pride in the past and present accomplishments of Megan Kleine and wishes her success in Barcelona this summer.

Section 3. That the House of Representatives commends the support and guidance provided Megan Kleine by coach John Brucato of Maysville and her parents, Gary and Barbara Kleine.

Section 4. That the Clerk of the House of Representatives is directed to transmit one copy of this Resolution each to Megan Kleine, 3004 Island Drive, Lexington, Kentucky 40502, and Head Coach, John Brucato, Wildcat Aquatics, Memorial Coliseum, University of Kentucky, Lexington, Kentucky 40506-0019.

HR 183 was adopted by voice vote.

Representative Lear moved that a call of the roll be taken to show co-sponsors of **HR 183**.

On the roll call the vote was yeas 87—Ackerson, Adkins, Allen, Altman, Ark, Arnold, Barrows, Bentley, Blandford, Bowling, Bronger, Brown, Bruce, Bryant, Butler, Callahan, Casebier, Castleman, L. Clark, P. Clark, Clarke, Coleman, Collins, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Farley, Farrow, Ford, Freibert, Gedling, Gee, Geveden, Gray, Gregory, J. Harper, K. Harper, Hatcher, Heleringer, Hourigan, Johnson, Jones, Kerr, Lear, LeMaster, Lile, Long, Lyne, Mack, Mason, Moberly, Morris, Mullinix, Napier, Noe, Noland, Northup, Overstreet, Palumbo, Pritchett, Rapier, Ravenscraft, Reinhardt, Richards, Richardson, Ridley, Riggs, Riner, Sanders, Scorsone, Sheehan, B. Smith, R. Smith, T. Smith, Strong, Stumbo, Toby, Todd, Turner, Ward, Wayne, Williams, Worthington, Yates, Zimmerman. Nays 0.

Floor Amendments (Continued)

Floor Amendment No. 2 to the Committee Substitute to **HB 468**, by Representative Jones:

Amend printed copy of to **HB 468/HCS** on page 88, line 15, by deleting "$116,316,000" and inserting in lieu thereof "$131,671,500"; and

On page 88, line 15, by deleting "$111,398,500" and inserting in lieu thereof "$115,248,500"; and

On page 88, lines 20 through 22, by deleting lines 20 through 22 in their entirety; and

On page 88, line 24, by deleting "$35,000,000" and inserting in lieu thereof "$30,505,000"; and

On page 88, line 24, by deleting "$33,000,000" and inserting in lieu thereof "$15,000,500"; and

On page 89, line 1, after the "." by deleting the remainder of line 1 in its entirety; and

On page 89, lines 2 through 7, by deleting lines 2 through 7 in their entirety; and

On page 89, line 7, by adding the following language "Included within the state construction program is $19,850,000 in fiscal year 1992-93 and $19,850,000 in fiscal year 1993-94 for the Secretary's Emergency fund. These moneys may be utilized by the Secretary of Transportation for projects of an emergency nature, to promote economic or industrial development, to relieve a hazardous condition or for other purposes which the Secretary determines to be a priority."; and

On page 89, line 9, by deleting each reference to "$46,000,000" and inserting in lieu thereof "$48,000,000".

On page 89, lines 18 through 23, by deleting lines 18 through 23 in their entirety.

Motions, Petitions and Communications (Continued)

Representative Ackerson moved that **HB 935** be withdrawn. Agreed.

Representative P. Clark moved that **HB 795** be withdrawn. Agreed.

Representative Mason moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Mason moved that he be recorded as voting "yea" on **HB 115**. Agreed.

Representative Mullinix moved the rules be suspended for the purpose of recording votes. Agreed.

Representative Mullinix moved that he be recorded as voting "yea" on **HB 44** and **HB 615**. Agreed.

Representative Freibert moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Freibert moved that she be recorded as voting "yea" on **HB 44**. Agreed.

Representative Casebier moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Casebier moved that he be recorded as voting "yea" on **HCR 13**. Agreed.

Representative Zimmerman moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Zimmerman moved that he be recorded as voting "yea" on **HB 597**. Agreed.

Representative Callahan moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Callahan moved that he be recorded as voting "yea" on **HB 438**. Agreed.

Representative Barrows moved the rules be suspended for the purpose of recording votes. Agreed.

Representative Barrows moved that he be recorded as voting "yea" on **HB 545** and "nay" on **HB 674**. Agreed.

The following members filed requests to have their names added as co-sponsors to Bills and Resolutions: **HB 115**, Representatives Ackerson, Lile, Ravenscraft; **HB 256**, Representatives Ackerson, Ravenscraft; **HB 462**, Representative Ravenscraft; **HB 530**, Representatives Casebier, Ravenscraft; **HB 582**, Representative Williams; **HB 598**, Representative Freibert; **HB 655**, Representative Gray; **HB 727**, Representative Ravenscraft; **HB 752**, Representatives Little, Pritchett; **HB 880**, Representatives Hancock, Sanders; **HCR 20**, Representative Casebier.

Announcements

The following meetings were announced:

Banking and Insurance, 10:00 a.m., March 10, 1992; Public Hearing on **HB 347** at 11:00 a.m., March 10, 1992.

State Government, March 10, 1992, Room 125, upon adjournment.

Cities, 9:00 a.m., March 10, 1992.

Agriculture and Small Business, 9:00 a.m., March 10, 1992, Room 129.

Adjournment

Representative Stumbo moved that the House adjourn until 2:00 p.m., Tuesday, March 10, 1992.

On the roll call the vote was yeas 79—Ackerson, Adkins, Allen, Altman, Arnold, Bentley, Blandford, Bowling, Brown, Bruce, Bryant, Butler, Callahan, Castleman, L. Clark, P. Clark, Clarke, Coleman, Collins, Crupper, Curd, Cyrus, Donnermeyer, Farley, Farrow, Ford, Freibert, Gee, Gedling, Geveden, Gray, Gregory, Hancock, J. Harper, K. Harper, Hatcher, Hourigan, Johnson, Jones, Keith, Kerr, Lewis, Lyne, Mack, Maggard, Mason, Moberly, Morris, Mullinix, Napier, Noe, Noland, Northup, Nunn, Palumbo, Pritchett, Rapier, Ravenscraft, Reinhardt, Richards, Richardson, Riner, Sanders, Scorsone, Sheehan, B. Smith, R. Smith, T Smith, Strong, Stumbo, Toby, Todd, Turner, Wayne, Ward, Williams, Worthington, Yates, Zimmerman. Nays 3—Heleringer, LeMaster, Lile.

The motion to adjourn was adopted.

TUESDAY, MARCH 10, 1992

FORTY-FIRST LEGISLATIVE DAY

The House was called to order by Speaker Blandford.

Prayer by Dr. J. Robert White, First Baptist Church, Paducah.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present except Representative Stokes.

Representative McElroy moved that the absent member be granted leave of absence in accordance with the rules of the House. Agreed.

Representative McElroy moved that the reading of the Journal of March 9, 1992 be dispensed with and the same approved. Agreed.

Senate Message

Announcing passage of **SB 41**, **SB 103**, **SB 130**, **SB 184**, **SB 185**, **SB 187**, **SB 222**, **SB 269**, **SB 313**, **SB 308**, **SB 309**, **SB 334**, **SB 335**, **SB 341**, **SB 351**, **SJR 69**, **SJR 85**, **HB 64**, **HB 117**, **HB 287**, **HB 339** and **HB 384**. (Time: 2:03 p.m.)

Message received in regard to **HB 17** and **HB 209**: The Senate has passed **HB 17** by way of Committee Substitute and **HB 209** by way of Committee Substitute and respectfully requests concurrence of this Honorable Body. (Time: 2:03 p.m.)

Report on Enrolled Bills

The Committee on Enrollment reported that **HCR 13** has been examined and found correctly enrolled. Said Resolution was read at length, compared and signed in open session by the Speaker, and ordered delivered to the Senate. (Time - 2:04 p.m.)

HCR 13 was delivered to the Senate and signed by the President. Delivered to the Governor on March 10, 1992 at 2:20 p.m.

Introduction of Bills and Resolutions

HR 184, by Representatives Curd, Castleman, Geveden, Bruce, Morris, Jones, Lewis and R. Smith: A RESOLUTION honoring the Murray State University Racers men's basketball team.

HR 185, by Representative Long: A RESOLUTION honoring Mr. John W. Smith, Jr.

Posting of Bills and Resolutions for Consideration

The Clerk announced that the following Bills have been posted for Committee consideration:

Agriculture and Small Business: **HB 880**

Education: **HB 900**

Report of Committees

The Committee on Agriculture and Small Business reported **HB 791**, **HB 801** and **HB 811** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 791, AN ACT relating to livestock.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 261.350 is amended to read as follows:

(1) Payment for livestock purchased at auction shall be made within ***one (1)*** [~~three (3)~~] banking ***day*** [~~days~~] of the purchase of the livestock, and the proceeds therefrom shall be deposited by the stockyard in the custodial account not later than three (3) banking days following the date of sale.[~~; except,~~] The payment may be delayed longer than ***one (1)*** [~~three (3)~~] banking ***day*** [~~days~~] if the stockyard and the purchaser of livestock agree in writing. Payment for livestock purchased at auction shall be made by cash, check, or draft. Loans shall not be made from the custodial account of any stockyard to any purchaser of livestock.

(2) [~~It shall be the duty and responsibility of~~] Each stockyard ***shall*** [~~to~~] report to the Commissioner of Agriculture within twenty-four (24) hours after having knowledge that a check or draft issued in payment for livestock has been dishonored, and [~~it shall be the duty and responsibility of~~] the Commissioner of Agriculture ***shall*** [~~to~~] notify all stockyards of the [~~fact of such~~] dishonor.

(3) Livestock shall mean livestock sold for food consumption.

(4) The Department of Agriculture shall issue ***administrative*** regulations to carry out the provisions of this section.

HB 801, AN ACT relating to commercial feed.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 250.561 is amended to read as follows:

(1) An inspection fee at the rate of thirty-five cents ($0.35) per ton shall be paid on commercial feeds distributed in this state by the person whose name appears on the label as the manufacturer, guarantor, or distributor, except that a person other than the manufacturer, guarantor, or distributor may assume liability for the inspection fee, subject to the following:

(a) No fee shall be paid on a commercial feed if the payment has been made by a previous distributor.

(b) No fee shall be paid on customer formula feeds if the inspection fee is paid on the commercial feeds which are used as ingredients and any exempt commodities, such as whole grain, furnished by the final purchaser. An exempt commodity offered for sale by the custom formula feed distributor for the intended use as an ingredient in the manufacture of custom formula feed is subject to the inspection fee. If the fee has already been paid on the commercial feeds, credit shall be given for ***that*** [~~such~~] payment. No farmer-owned exempt commodity shall be subject to a fee.

(c) No fee shall be paid on commercial feeds which are used as ingredients for the manufacture of commercial feeds which are registered. If the fee has already been paid, credit shall be given for ***that*** [~~such~~] payment.

(d) In the case of a commercial feed which is distributed in the state to the final purchaser only in a package weight of ten pounds or less, an annual fee of fifty dollars ($50) shall be paid in lieu of the inspection fee specified above.

(e) ***In the case of distillers' wet grains and other distillers by-products containing more than seventy-five percent (75%) moisture and brewers' wet grains and whey distributed without further processing to the final purchaser for consumption by the purchaser's livestock, the inspection fee shall be five cents ($0.05) per ton.***

(f) The minimum inspection fee for a feed registrant or a custom formula feed distributor shall be twenty-five dollars ($25) per quarter.

(2) Each person who is liable for the payment of the fee shall:

(a) File, not later than the last day of January, April, July, and October of each year, a quarterly statement, setting forth the number of net tons of commercial feeds distributed in this state during the preceding calendar quarter; and upon filing the statement shall pay the inspection fee at the rate stated in subsection (1) of this section. Inspection fees which are due and owing and have not been remitted to the department within fifteen (15) days following the due date shall have added a minimum penalty fee of twenty-five dollars ($25) or ten percent (10%) of the amount due, whichever is greater, when payment is made. The assessment of this penalty fee shall not prevent the department from taking other actions as provided in this chapter.

(b) Keep the records necessary or required by the director to indicate accurately the tonnage of commercial feed distributed in this state, and the director shall have the right to examine the records to verify statements of tonnage.

(3) Failure to make an accurate statement of tonnage or to pay the inspection fee or comply as provided herein shall constitute sufficient cause for the cancellation of all registrations on file for the distributor.

(4) Fees collected shall constitute a fund for the payment of the costs of inspection, sampling, and analysis, and other expenses necessary for the administration of KRS 250.491 to 250.631.

HB 811, AN ACT relating to sheep.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

It is declared to be in the interest of the public welfare that Kentucky farmers who are producers of sheep or lambs shall be permitted and encouraged to act jointly and in cooperation with all producers, handlers, dealers, and processors of sheep or lambs in promoting and stimulating, by utilization research, market maintenance and expansion, and education, the increased use and sale, domestic and foreign, of sheep and lambs; and for the prevention, modification, or elimination of trade barriers which obstruct the free flow of sheep and lambs to market.

SECTION 2. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 18 of this Act, unless the context otherwise requires:

(1) "Commissioner" means the Commissioner of Agriculture;

(2) "Board" means the State Board of Agriculture;

(3) "Sheep and lambs" means all species of the genus Ovis produced or marketed in Kentucky by any producer;

(4) "Producer" means every person who produces and markets sheep or lambs;

(5) "New producer" means a producer who was not engaged in the business of producing sheep or lambs at the time a referendum was conducted in accordance with the provisions of Sections 1 to 18 of this Act;

(6) "Person" means any individual, corporation, partnership, association, cooperative, or other business entity;

(7) "Marketing year" means from July 1 to June 30 of the following year;

(8) "Purchaser" means any person, public or private corporation, association or partnership buying, accepting for shipment, or otherwise acquiring the property in or to sheep or lambs from a producer, and shall include a mortgagee, pledgee, lienor, or other person, public or private, having a claim against the producer, when the actual or constructive possession of the sheep or lambs is taken as part payment or in satisfaction of a mortgage, pledge, lien, or claim;

(9) "Marketed" means any quantities that are sold, bartered, or for which other items of value are exchanged; and

(10) "Net market price" means the sales price or other value received by a producer for sheep or lambs after adjustments have been made for any premium or discount based on grading or quality factors.

SECTION 3. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

No association meeting or activity undertaken in pursuance of the provisions of Sections 1 to 18 of this Act and intended to benefit all of the producers, handlers, dealers, and processors of sheep or lambs shall be deemed or considered illegal or in restraint of trade.

SECTION 4. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

It is declared to be in the public interest and highly advantageous to the agricultural economy of the state that producers of sheep or lambs shall be permitted by referendum to be held among the respective groups and subject to the provisions of Sections 1 to 18 of this Act to levy upon themselves an assessment on sheep and lambs and provide for the collection of the assessment for the purpose of financing or contributing

toward the financing of a program of research, market development, and education to increase the domestic and foreign consumption, use, sale, and markets for sheep and lambs; and for the prevention, modification, or elimination of trade barriers which obstruct the free flow of sheep and lambs to market.

SECTION 5. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

(1) Any existing association which is fairly representative of the sheep or lamb producers of Kentucky, such as the Kentucky Sheep and Wool Producers Association, may at any time after July 15, 1992, make application to the State Board of Agriculture on forms prescribed by the board for certification and approval for the purpose of conducting a referendum among the producers of sheep upon the question of levying an assessment under the provisions of Sections 1 to 18 of this Act and collecting and utilizing the assessment for the purpose stated in the referendum. The application forms shall include, but not be limited to, the following:

(a) Applicant's name;

(b) Applicant's address;

(c) Date;

(d) Program to be undertaken for producers;

(e) Brief statement of how the program is to be implemented;

(f) Referendum to be conducted on a statewide basis;

(g) Proposed effective date of the program; and

(h) Signature of the applicant.

(2) Upon receipt of the application, the Commissioner shall publish the application through the medium of the public press in the state within ten (10) days of receipt.

SECTION 6. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

Upon being certified by the Commissioner of Agriculture, the association shall be fully authorized and empowered to hold and conduct on the part of the producers of sheep or lambs a referendum on the question of whether the producers shall levy upon themselves an assessment under, and subject to, and for the purpose stated in Sections 1 to 18 of this Act. The referendum shall be conducted on a statewide basis.

SECTION 7. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

Any referendum conducted under the provisions of Sections 1 to 18 of this Act shall be held on a statewide basis. The referendum may be participated in by all sheep or lamb producers, including owners of farms on which sheep or lambs are produced, and tenants and sharecroppers sharing in the proceeds of sheep or lambs. In the referendum, individuals eligible for participation shall vote upon the question of whether there shall be levied an annual assessment in the amount set forth in the call for the referendum.

SECTION 8. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

The manner, conduct, and management of any referendum held under the provisions of Sections 1 to 18 of this Act shall be under the supervision and direction of the Commissioner of Agriculture, and any and all expenses in connection therewith shall be borne by the association conducting the referendum.

SECTION 9. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

With respect to any referendum conducted under the provisions of Sections 1 to 18 of this Act, the Commissioner of Agriculture shall, before calling and announcing the referendum, fix, determine, and publicly announce at least thirty (30) days before the date determined for the referendum, the date, hours, and polling places for voting in the referendum, the effective date of the assessment, if adopted, the amount and basis of the assessment proposed to be collected, the means by which the assessment shall be collected if authorized by the producers, and the general purposes to which the amount collected shall be applied. No annual assessment levied under the provisions of any referendum shall exceed one percent (1%) of the net marketed price per sheep or lamb marketed in the state during a marketing year by any producer included in the group to which the referendum was submitted or by any person subsequently becoming a new producer.

SECTION 10. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

The hours, voting places, rules, and administrative regulations for the referendum shall be established and determined by the Commissioner of Agriculture and shall be published by the Commissioner through the medium of the public press in the Commonwealth of Kentucky at least thirty (30) days before the holding of the referendum, and direct written notice thereof shall likewise be given to each county or area agent in any county covered by the referendum. The notice shall likewise contain a statement of the amount of the assessment proposed to be levied, which assessment in any event shall not exceed one percent (1%) of the net marketed price per sheep or lamb, and shall likewise state the method by which the assessment shall be collected and how the proceeds shall be administered and the purposes to which the proceeds shall be applied, which purposes shall be in keeping with the provisions of Sections 1 to 18 of this Act.

SECTION 11. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

The Commissioner of Agriculture shall prepare and distribute in advance of the referendum all necessary ballots and shall arrange for the necessary poll holders for conducting the referendum. Following the referendum and within ten (10) days thereafter, the Commissioner shall canvass and publicly declare the result of the referendum.

SECTION 12. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

If, in the referendum called under the provisions of Sections 1 to 18 of this Act, a majority of the eligible producers, who vote therein, shall vote in the affirmative and in favor of the levying and collection of the assessment proposed in the referendum, the assessment shall be collected in the manner determined and announced by the association conducting the referendum.

SECTION 13. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

If a majority of the eligible producers in the referendum who vote therein shall vote in favor of the assessment, the Commissioner shall notify, by certified mail, all persons engaged in the business of purchasing sheep or lambs in this state, that on and after the date specified in the letter, the specified assessment shall be deducted from the producer's payment by the purchaser, or his agent or representative, from the net marketed price of the sheep or lambs. The assessment so deducted shall, on or before the fifteenth day of the month following the end of the month in which the sheep or lambs are sold to the purchaser, be remitted by the purchaser to the duly certified association which conducted the referendum. The books and records of all the purchasers of sheep or lambs shall at all times be open for inspection by the collection and compliance officer of the association which conducted the referendum or the Commissioner of Agriculture or his duly authorized agents during regular business hours.

SECTION 14. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

There is hereby established the Kentucky Sheep Council composed of four (4) members appointed by the certified organization; two (2) members appointed by the Kentucky Farm Bureau Federation, Inc., and one (1) member appointed by the Commissioner. These appointments shall be for terms of two (2) calendar years and each appointing body shall promptly file with the Commissioner the names of its respective appointees.

SECTION 15. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

The funds, including donations from individuals, concerns, corporations, and grants from the state or governmental agencies, shall be used for the purpose of promoting and stimulating, by research, market development and education, the increased use and sale, domestic and foreign, of sheep and lambs; and for the prevention, modification, or elimination of trade barriers which obstruct the free flow of sheep and lambs to market. None of these funds shall be used for lobbying as defined in KRS 6.250. The duly certified association receiving the assessment funds shall, upon the advice and consent of the Kentucky Sheep Council, use and disburse the same as follows:

(1) The association may first refund to itself therefrom the costs and expenses incurred in the conduct of the referendum;

(2) The association may spend or disburse the necessary funds for administrative costs and expenses, but no more than fifteen percent (15%) of the funds collected in any marketing year shall be so utilized; and

(3) The balance remaining shall be used for the purposes provided in this section, as determined by the Kentucky Sheep Council.

SECTION 16. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

If the referendum is carried in the affirmative and the assessment is levied and collected as provided, any producer upon and against whom the assessment shall have been levied and collected under the provisions of Sections 1 to 18 of this Act, if dissatisfied with the assessment and the result thereof, may demand of and receive from the treasurer of the certified association a refund of the assessment collected from the producer; if the demand for refund is made in writing within thirty (30) days from the date on which the assessment is collected from the producer.

SECTION 17. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

(1) The board shall review the assessment program annually. If, at the end of each year after the first year of the assessment program, the board determines that the producers in the referendum representing twenty percent (20%) of the production of sheep and lambs have indicated their dissatisfaction with the program by demanding a refund of the assessment collected from them, the Commissioner shall conduct a referendum among the producers. If, upon the referendum, a majority of the eligible producers, who vote therein, reject the program, it shall be terminated at the end of the marketing year in which the referendum was conducted; otherwise, the assessment program shall continue in force and effect.

(2) The Commissioner shall conduct a referendum five (5) years after the date of the first referendum and each subsequent five (5) year period to determine if the assessment should be continued or terminated.

(3) If the duly certified association of sheep and lamb producers expresses in writing its desire to the Commissioner to discontinue the assessment program and terminate the program, the Commissioner shall within fifteen (15) days following receipt of the request convene the board to review and act on the request. The board, after reviewing the request and conducting whatever proceedings are deemed appropriate and necessary in connection with the request, may terminate the program effective at the end of the marketing year in which the board action is taken; and, in this event, the Commissioner shall notify, by certified mail, the purchasers of sheep and lambs affected thereby of the termination of the program.

SECTION 18. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

When in the judgment of the board or the duly certified association, a purchaser has engaged in or is about to engage in any acts or practices that constitute a violation of any of the provisions of Sections 1 to 18 of this Act, the board or the duly certified association may make application to the Franklin Circuit Court for an order enjoining the act or acts or practices, and obtain a restraining order and preliminary injunction against the purchaser.

The Committee on Cities reported **HB 63**, with Committee Amendment attached thereto, **HB 800** and **HB 830**, with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 63, AN ACT relating to the Kentucky Unified Juvenile Code.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 600.020 is amended to read as follows:

As used in KRS Chapters 600 to 645, unless the context otherwise requires:

(1) "Abused or neglected child" means a child whose health or welfare is harmed or threatened with harm when his parent, guardian or other person exercising custodial control or supervision of the child: inflicts or allows to be inflicted upon the child physical or emotional injury by other than accidental means; creates or allows to be created a risk of physical or emotional injury to the child by other than accidental means; commits or allows to be committed an act of sexual abuse, sexual exploitation, or prostitution upon the child; creates or allows to be created a risk that an act of sexual abuse, sexual exploitation, or prostitution will be committed upon the child; abandons or exploits such child; does not provide the child with adequate care, supervision, food, clothing, shelter and education or medical care necessary for the child's well-being. A parent or other person exercising custodial control or supervision of the child legitimately practicing his religious beliefs shall not be considered a negligent parent solely because he fails to provide specified medical treatment for a child for that reason alone. This exception shall not preclude a court from ordering necessary medical services for a child;

(2) "Boarding home" means a privately owned and operated home for the boarding and lodging of individuals which is approved by the cabinet for the placement of children committed to the cabinet;

(3) "Cabinet" means the Cabinet for Human Resources;

(4) "Certified juvenile holding facility staff" means individuals who meet the qualifications of, and who have completed a course of education and training developed and approved by, the justice cabinet after consultation with the Cabinet for Human Resources and other appropriate state agencies;

(5) "Child" means any person who has not reached his eighteenth birthday unless otherwise provided;

(6) "Child-caring facility" means any facility or group home other than a state facility, or one certified by an appropriate agency as operated primarily for educational or medical purposes, providing residential care on a twenty-four (24) hour basis to children not related by blood, adoption or marriage to the person maintaining the facility;

(7) "Child-placing agency" means any agency, other than a state agency, which supervises the placement of children in foster family homes or child-caring facilities or which places children for adoption;

(8) "Clinical treatment facility" means a facility with more than eight (8) beds designated by the cabinet for the treatment of mentally ill children. The treatment program of such facilities shall be supervised by a qualified mental health professional;

(9) "Commitment" means an order of the court which places a child under the custodial control or supervision of the Cabinet for Human Resources or another facility or agency until the child attains the age of eighteen (18) unless the committing court terminates or extends the order;

(10) "Community-based facility" means any nonsecure, homelike facility licensed, operated, or permitted to operate by the cabinet, which is located within a reasonable proximity of the child's family and home community, which affords the child the opportunity, if a Kentucky resident, to continue family and community contact;

(11) "Complaint" means a verified statement setting forth allegations in regard to the child which contain sufficient facts for the formulation of a subsequent petition;

(12) "Court" means the juvenile session of district court;

(13) "Court designated worker" means that organization or individual delegated by the administrative office of the courts for the purposes of placing children in alternative placements prior to arraignment, conducting preliminary investigations, and formulating, entering into and supervising diversion agreements and performing such other functions as authorized by law or court order;

(14) "Department" means the Department for Social Services;

(15) "Dependent child" means any child, other than an abused or neglected child, who is under improper care, custody, control, or guardianship that is not due to an intentional act of the parent, guardian, or person exercising custodial control or supervision of the child;

(16) "Detain" means, upon a valid court order, to confine a child pending further proceedings in an intermittent holding facility, a juvenile holding facility, or a secure juvenile detention facility;

(17) "Diversion agreement" means an agreement entered into between a court designated worker and a child charged with the commission of offenses set forth in KRS Chapters 630 and 635, the purpose of which is to serve the best interest of the child and to provide redress for those offenses without court action and without the creation of a formal court record;

(18) "Emergency shelter" is a group home, private residence, foster home, or similar homelike facility which provides temporary or emergency care of children and adequate staff and services consistent with the needs of each child;

(19) "Emotional harm" means harm to the mental or psychological capacity or emotional stability of a child as testified to by a qualified mental health professional. The age and development of the child shall be considered together with the child's culture or environment in the diagnosis and determination of emotional harm;

(20) "Emotional injury" means an injury to the mental or psychological capacity or emotional stability of a child as evidenced by a substantial and observable impairment in his ability to function within a normal range of performance and behavior with due regard to his age, development, culture and environment;

(21) "Family service worker" means any employee of the cabinet or any private agency designated as such by the secretary of the cabinet or a social worker employed by a county or city who has been approved by the cabinet to provide, under its supervision, services to families and children;

(22) "Foster family home" means a private home in which children are placed for foster family care under supervision of the cabinet or a licensed child-placing agency;

(23) "Habitual runaway" means any child who has been found by the court to have been absent from his place of lawful residence without the permission of his custodian for at least three (3) days during a one (1) year period;

(24) "Habitual truant" means any child who has been found by the court to have been absent from school without valid excuse for three (3) or more days during a one (1) year period or tardy for three (3) or more days on at least three (3) occasions during a one (1) year period;

(25) "Hospital" means, except for purposes of KRS Chapter 645, a licensed private or public facility, health care facility, or part thereof, which is approved by the cabinet to treat children;

(26) "Independent living" means those activities necessary to assist a committed child to establish independent living arrangements;

(27) "Informal adjustment" means an agreement reached among the parties after a petition has been filed, which is approved by the court, that the best interest of the child would be served without formal adjudication and disposition;

(28) "Intentionally" means, with respect to a result or to conduct described by a statute which defines an offense, that the actor's conscious objective is to cause that result or to engage in that conduct;

(29) "Intermittent holding facility" means a physically secure setting, which is entirely separated from sight and sound from all other portions of a jail containing adult prisoners, in which children are supervised and observed on a regular basis;

(30) "Juvenile holding facility" means a physically secure setting, approved by the justice cabinet, which is an entirely separate facility or portion or wing of a building containing an adult jail, which provides total separation between juvenile and adult facility spatial areas and which is staffed by sufficient certified juvenile holding facility staff to provide twenty-four (24) hours per day supervision. Employees of jails who meet the qualifications of the justice cabinet may supervise juvenile as well as adult prisoners;

(31) "Least restrictive alternative" means, except for purposes of KRS Chapter 645, that the program developed on the child's behalf is no more harsh, hazardous, or intrusive than necessary; or involves no restrictions on physical movements nor requirements for residential care except as reasonably necessary for the protection of the child from physical injury; and is conducted at the suitable available facility closest to the child's place of residence;

(32) "Nonsecure facility" means a facility which provides its residents access to the surrounding community and which does not rely primarily on the use of physically restricting construction and hardware to restrict freedom;

(33) "Parent" means the biological or adoptive mother or father of a child;

(34) "Person exercising custodial control or supervision" means a person or agency that has assumed the role and responsibility of a parent or guardian for the child, but that does not necessarily have legal custody of the child;

(35) "Petition" means a verified statement, setting forth allegations in regard to the child, which initiates formal court involvement in the child's case;

(36) "Physical injury" means substantial physical pain or any impairment of physical condition;

(37) "Public offense action" means an action brought in the interest of a child who is accused of committing a public offense which, if committed by an adult, would be a crime, whether the same is a felony, misdemeanor, or violation, other than an action alleging that a child sixteen (16) years of age or older has committed a moving motor vehicle offense. ***Public offenses shall include violations of local ordinances that apply to children for violation of curfew***;

(38) "Qualified mental health professional" means:

(a) A physician licensed under the laws of Kentucky to practice medicine or osteopathy, or a medical officer of the government of the United States while engaged in the performance of his official duties;

(b) A psychiatrist licensed under the laws of Kentucky to practice medicine or osteopathy, or a medical officer of the government of the United States while engaged in the practice of his official duties, and who is certified or eligible to apply for certification by the American Board of Psychiatry and Neurology, Inc.;

(c) A licensed psychologist at the doctoral level or certified at the master's level under the provisions of KRS Chapter 319 who has been designated by the Kentucky board of examiners of psychology as competent to make examinations under KRS Chapters 600 to 645;

(d) A licensed registered nurse with a master's degree in psychiatric nursing from an accredited institution and two (2) years of clinical experience with mentally ill persons, or a licensed registered nurse with a bachelor's degree in nursing from an accredited institution who is certified as a psychiatric and mental health nurse by the American Nurses Association and who has three (3) years of inpatient or outpatient clinical experience in psychiatric nursing and who is currently employed by a hospital or forensic psychiatric facility licensed by the Commonwealth or a psychiatric unit of a general hospital or a regional comprehensive care center; or

(e) A certified clinical social worker licensed for the independent practice of clinical social work under the provisions of KRS Chapter 335, or a certified social worker licensed under the provisions of KRS Chapter 335 with three (3) years of inpatient or outpatient clinical experience in psychiatric social work following certification and currently employed by a hospital or forensic psychiatric facility licensed by the Commonwealth or a psychiatric unit of a general hospital or a regional comprehensive care center;

(39) "Residential treatment facility" means a facility with more than eight (8) beds designated by the cabinet for the treatment of children;

(40) "Retain in custody" means, after a child has been taken into custody, the continued holding of the child by a peace officer for a period of time not to exceed twelve (12) hours when authorized by the court or the court designated worker for the purpose of making preliminary inquiries;

(41) "School personnel" means those certified persons under the supervision of the local public or private education agency;

(42) "Secretary" means the secretary of the Cabinet for Human Resources;

(43) "Secure juvenile detention facility" means any facility used for the secure detention of children other than a jail, police station, lock-up, intermittent holding facility, or any building which is a part of, or attached to, any facility in which adult prisoners are confined or which shares staff with a facility in which adult prisoners are confined;

(44) "Secure facility for residential treatment" means any setting which assures that all entrances and exits are under the exclusive control of the facility staff, and in which a child may reside for the purpose of receiving treatment;

(45) "Serious physical injury" means physical injury which creates a substantial risk of death or which causes serious and prolonged disfigurement, prolonged impairment of health or prolonged loss or impairment of the function of any bodily organ;

(46) "Sexual abuse" includes, but is not necessarily limited to, any contacts or interactions between a child and an adult in which the parent, guardian or other person having custodial control or supervision of the child or responsibility for his welfare, uses or allows, permits or encourages the use of the child for the purposes of the sexual stimulation of the perpetrator or another person;

(47) "Sexual exploitation" includes, but is not limited to, a situation in which a parent, guardian or other person having custodial control or supervision of a child or responsible for his welfare, allows, permits or encourages the child to engage in an act which constitutes prostitution under Kentucky law; or a parent, guardian or other person having custodial control or supervision of a child or responsible for his welfare, allows, permits or encourages the child to engage in an act of obscene or pornographic photographing, filming, or depicting of a child as provided for under Kentucky law;

(48) "Status offense action" is any action brought in the interest of a child who is accused of committing acts, which if committed by an adult, would not be a crime. Such behavior shall not be considered criminal or delinquent and such children shall be termed status offenders. Status offenses shall not include violations of state or local ordinances which may apply to children such as a violation of curfew or possession of alcoholic beverages;

(49) "Take into custody" means the procedure by which a peace officer or other authorized person initially assumes custody of a child. A child may be taken into custody for a period of time not to exceed two (2) hours;

(50) "Violation" means any offense, other than a traffic infraction, for which a sentence of a fine only can be imposed; and

(51) "Youthful offender" means any person regardless of age, transferred to circuit court under the provisions of KRS Chapter 640 and who is subsequently convicted in circuit court.

The Committee Amendment No. 1 to **HB 63** is as follows:

Amend printed copy of **HB 63** on page 12, line 22, after "imposed", by adding the following:

"***. Non-compliance with a local government juvenile curfew ordinance shall be considered a violation***"

HB 800, AN ACT relating to the Commission on Fire Protection Personnel Standards and Education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 95A.020 is amended to read as follows:

(1) There is hereby created the Commission on Fire Protection Personnel Standards and Education, hereinafter called "commission" which shall be attached to the state fire marshal's office in the Department of Housing, Buildings and Construction.

(2) The commission shall be composed of ***seventeen (17)*** [~~sixteen (16)~~] members, residents of the State of Kentucky, appointed by the Governor. ***These*** [~~Such~~] members should be persons well qualified by experience or education in the field of fire protection or related fields.

(3) It is recommended that the membership of the commission include:

(a) Two (2) volunteer firemen;

(b) ***Three (3)*** [~~Two (2)~~] paid firefighters***, at least one (1) of whom shall be a full-time paid county firefighter***;

(c) One (1) trustee of a volunteer fire department or fire district who is not a volunteer fireman;

(d) Two (2) fire chiefs of paid fire departments;

(e) One (1) licensed and practicing physician;

(f) One (1) teacher or administrator of vocational education;

(g) One (1) representative of the Division of Disaster and Emergency Services of the Department of Military Affairs;

(h) One (1) mayor of a Kentucky city;

(i) One (1) county judge/executive;

(j) One (1) representative of Kentucky industry or business enterprise; and

(k) One (1) representative of the general public.

The Superintendent of Public Instruction and the state fire marshal, or their designees, shall serve as ex officio members of the commission. Their designees shall have full voting rights. Appointive members shall be appointed for a term of four (4) years, provided, however, that of the members first appointed, five (5) shall be appointed for a term of two (2) years, four (4) for a term of three (3) years, and four (4) for a term of four (4) years. After July 15, 1980, any member chosen by the Governor to fill a vacancy created otherwise than by expiration of term shall be appointed for the unexpired term of the member he is chosen to succeed.

(4) Members of the commission shall receive no compensation for their services but shall be allowed their actual and necessary expenses incurred in the performance of their functions hereunder.

(5) Members of the commission appointed pursuant to this section shall first be appointed on July 15, 1980. The terms of members appointed earlier shall terminate on July 15, 1980, but the Governor may reappoint those members who qualify under the provisions of this section.

HB 830, AN ACT relating to the enforcement of city ordinances.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 82 IS CREATED TO READ AS FOLLOWS:

(1) Every city shall have the power to establish fines, penalties, and forfeitures that may be imposed for violation of its ordinances, and may secure injunctions and abatement orders, when appropriate, to insure compliance with its ordinances.

(2) A city may make the violation of any of its ordinances a misdemeanor or a violation by the express terms of the ordinance. When an offense is designated by ordinance as a misdemeanor, a criminal fine not to exceed the amounts set forth in KRS 534.040, or a term of imprisonment not to exceed the periods set forth in KRS 532.090, or both, may be imposed for the offense. When an offense is designated by ordinance as a violation, a criminal fine not to exceed the amounts set forth in KRS 534.040 may be imposed for the offense.

(3) As an alternative to or in conjunction with the criminal penalties authorized by subsection (2) of this section, an ordinance may provide by its express terms that a violation shall subject the offender to a civil penalty to be recovered by the city in a civil action in the nature of debt if the offender does not pay the penalty within a prescribed period of time after he has been cited for the violation of the ordinance.

(4) A city ordinance may provide a fine, penalty, forfeiture, or term of imprisonment for an act or omission to act which is also an offense under the Kentucky Revised Statutes. In that case, the fine, penalty, forfeiture, or term of imprisonment imposed by the ordinance shall not be less than or greater than that imposed by statute for the same offense.

(5) A city ordinance may provide, when appropriate, that each day a violation of the ordinance continues shall be a separate and distinct offense.

(6) Any city ordinance may be made effective on or with respect to property, including easements and rights-of-way, owned by the city and located outside the corporate limits of the city.

(7) Subject to the express terms of the ordinance, a city ordinance may be enforced by any one (1), all, or a combination of the remedies authorized by this section.

(8) Except where the charge of a violation of a city ordinance is joined with an indictment for a felony as provided in KRS 24A.110(2), the violation of all city ordinances prescribing a criminal penalty as authorized in subsection (2) of this section shall be prosecuted in the District Courts of the Commonwealth. The county attorney shall prosecute all violations of city ordinances for which the criminal penalties authorized by subsection (2) of this section may be imposed. The city attorney shall pursue all violations of ordinances for which a civil penalty or forfeiture may be imposed, or involving injunctive relief or abatement, by filing a petition with the court of appropriate jurisdiction. Nothing in this section shall be intended to preclude any remedy for the violation of a city ordinance, including any administrative remedy, authorized by any other statute.

The Committee Substitute to **HB 830** is as follows:

HB 830, AN ACT relating to the enforcement of city ordinances.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 82 IS CREATED TO READ AS FOLLOWS:

(1) Every city shall have the power to establish fines, penalties, and forfeitures that may be imposed for violation of its ordinances, and may secure injunctions and abatement orders, when appropriate, to insure compliance with its ordinances.

(2) A city may make the violation of any of its ordinances a misdemeanor or a violation by the express terms of the ordinance. When an offense is designated by ordinance as a misdemeanor, a criminal fine not to exceed the amounts set forth in KRS 534.040(2)(a), or a term of imprisonment not to exceed the periods set forth in KRS 532.090(1), or both, may be imposed for the offense. When an offense is designated by ordinance as a violation, a criminal fine not to exceed the amounts set forth in KRS 534.040(2)(c) may be imposed for the offense.

(3) If an ordinance fails to prescribe any penalty for noncompliance with its provisions, any noncompliance shall be deemed a violation and a criminal fine not to exceed the amount set forth in KRS 534.040(2)(c) may be imposed for the offense.

(4) As an alternative to or in conjunction with the criminal penalties authorized by subsection (2) of this section, an ordinance may provide by its express terms that a violation shall subject the offender to a civil penalty to be recovered by the city in a civil action in the nature of debt if the offender does not pay the penalty within a prescribed period of time after he has been cited for the violation of the ordinance.

(5) A city ordinance may provide a fine, penalty, forfeiture, or term of imprisonment for an act or omission to act which is also an offense under the Kentucky Revised Statutes. In that case, the fine, penalty, forfeiture, or term of imprisonment imposed by the ordinance shall not be less than or greater than that imposed by statute for the same offense.

(6) A city ordinance may provide, when appropriate, that each day a violation of the ordinance continues shall be a separate and distinct offense.

(7) Any city ordinance may be made effective on or with respect to property, including easements and rights-of-way, owned by the city and located outside the corporate limits of the city.

(8) Subject to the express terms of the ordinance, a city ordinance may be enforced by any one (1), all, or a combination of the remedies authorized by this section.

(9) Except where the charge of a violation of a city ordinance is joined with an indictment for a felony as provided in KRS 24A.110(2), the violation of all city ordinances prescribing a criminal penalty as authorized in subsection (2) of this section shall be prosecuted in the District Courts of the Commonwealth. The county attorney shall prosecute all violations of city ordinances for which the criminal penalties authorized by subsection (2) of this section may be imposed. The city attorney shall pursue all violations of ordinances for which a civil penalty or forfeiture may be imposed, or involving injunctive relief or abatement, by filing a petition with the court of appropriate jurisdiction. Nothing in this section shall be intended to preclude any remedy for the violation of a city ordinance, including any administrative remedy, authorized by any other statute.

The Committee on Education reported **HB 223**, with Committee Amendments attached thereto, **HB 224**, with Committee Amendments attached thereto, **HB 226**, with Committee Substitute attached thereto, and **HB 788** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 223, AN ACT relating to exceptional children.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 157.200 is amended to read as follows:

(1) "Exceptional children ***and youth***" means persons under twenty-one (21) years of age who differ in one (1) or more respects from average or normal children in physical, mental, learning, emotional, or social characteristics and abilities to such a degree that they need special educational programs or services for them to benefit [~~maximally~~] from the regular or usual facilities or educational programs of the public schools in the districts in which they reside. The Department of Education, through ***administrative*** regulations ***promulgated*** [~~endorsed~~] by the State Board for Elementary and Secondary Education, shall interpret the statutory definitions of exceptionality. An exceptionality is any trait so defined in this section ***by administrative*** [~~or stipulated in the~~] regulations of the State ***Board for Elementary and Secondary*** [~~Department of~~] Education. Requirements of average daily attendance for exceptional classes ***shall*** [~~will~~] be regulated by statute, or in the absence of [~~such~~] direction by ***administrative*** [~~departmental~~] regulations ***promulgated*** [~~endorsed~~] by the

State Board for Elementary and Secondary Education. Categories of exceptionalities included within, but not limited by, this definition are as follows:

(a) "Physically *disabled or orthopedically impaired" means a severe orthopedic impairment which adversely affects educational performance to the extent that specially designed instruction is required for the pupil to benefit from education. The term includes physical impairments caused by congenital anomaly, disease, and from other causes.*

(b) "Other health impaired" means limited strength, vitality or alertness, due to a chronic or acute health problem which adversely affects educational performance to the extent that specially designed instruction is required for the pupil to benefit from education.

(c) "Communication disorder or speech or language impaired" means a disorder in language, articulation, voice, or fluency, which adversely affects educational performance to the extent that specially designed instruction is required for the pupil to benefit from education.

(d) "Hearing impairment" means a physiological hearing loss:

1. Ranging from mild to profound, which is either permanent or fluctuating, and of such a degree that the pupil is impaired in the processing of linguistic information via the auditory channel either with or without amplification; or

2. That adversely affects educational performance so that specially designed instruction is required for the child or youth to benefit from education.

The term shall include both deaf and hard of hearing children.

(e) "Mental disability" means a deficit or delay in intellectual and adaptive behavior functioning, which adversely affects educational performance to the extent that specially designed instruction is required for the pupil to benefit from education, and which is typically manifested during the developmental period.

(f) "Specific learning disability" means a disorder in one (1) or more of the psychological processes primarily involved in understanding or using spoken or written language which selectively and significantly interferes with the acquisition, integration, or application of listening, speaking, reading, writing, reasoning, or mathematical abilities. The disorder is lifelong, intrinsic to the individual, and adversely affects educational performance to the extent that specially designed instruction is required in order for the pupil to benefit from education. The term does not include a learning problem which is the direct result of:

1. A hearing impairment;

2. Visual, physical, mental or emotional-behavioral disabilities; or

3. Environmental, cultural, or economic differences.

(g) "Emotional-behavioral disability" means a condition characterized by behavioral excess or deficit which significantly interferes with a pupil's interpersonal relationships or learning process to the extent that it adversely affects educational performance so that specially designed instruction is required in order for the pupil to benefit from education.

(h) "Multiple disability" means a combination of two (2) or more disabilities resulting in significant learning, developmental, or behavioral and emotional problems, which adversely affects educational performance and, therefore, requires specially designed instruction in order for the pupil to benefit from education. A pupil is not considered to have a multiple disability if the adverse effect on educational performance is solely the result of deaf-blindness or the result of speech or language disability and one (1) other disabling condition.

(i) "Deaf-blind" means auditory and visual impairments, the combination of which creates such severe communication and other developmental and learning needs that the pupil cannot be appropriately educated in special education programs designed solely for pupils with hearing impairments, visual impairments, or severe disabilities, unless supplementary assistance is provided to address educational needs resulting from the two (2) disabilities.

(j) "Visually disabled" means a visual impairment, which, even with correction, adversely affects educational performance to the extent that specially designed instruction is required for the pupil to benefit from education. The term includes both partially seeing and blind pupils.

(k) "Developmental delay" means a significant discrepancy between a child's current level of performance in basic skills such as cognition, language or communication, self-help, social-emotional, or fine or gross motor, and the expected level of performance for that age. The term shall be used only with children ages three (3) through five (5).

(l) "Traumatic brain injury" means an acquired impairment to the neurological system resulting from an insult to the brain which adversely affects educational performance and causes temporary or permanent and partial or complete loss of:

1. Cognitive functioning;

2. Physical ability; or

3. Communication or social-behavioral interaction.

The term does not include a brain injury that is congenital or degenerative, or a brain injury induced by birth trauma.

(m) "Autism" means a developmental disability significantly affecting verbal and non-verbal communication and social interaction, generally evident before age three (3), that adversely affects educational performance. Characteristics of autism include:

1. Irregularity and impairment in communication;

2. Engagement in repetitive activity and stereotyped movement;

3. Resistance to environmental change or change in daily routine; and

4. Unusual responses to sensory experience.

The term does not include children with characteristics of an emotional-behavioral disability.

(n) "Gifted and talented student" means a pupil identified as possessing demonstrated or potential ability to perform at an exceptionally high level in general intellectual aptitude, specific academic aptitude, creative or divergent thinking, psychosocial or leadership skills, or in the visual or performing arts [~~handicapped" means any physical disability which makes it impracticable or impossible to benefit from or participate in the normal classroom program;~~

~~(b) "Communication disorder" means a disorder in hearing, language, or speech which adversely affects educational performance;~~

~~(c) "Mentally handicapped" means retarded intellectual development, as determined by recognized standardized tests and assessment of adaptive behavior, which adversely affects a child's educational performance;~~

~~(d) "Specific learning disability" means a disorder in one (1) or more of the basic psychological processes involved in understanding or using language, spoken or written, which disorder may manifest itself in imperfect ability to listen, think, speak, read, write, spell, or do mathematical calculations. The term does not include learning problems which are primarily the result of visual, hearing, or motor handicaps, of mental retardation, of emotional disturbance, or of environmental, cultural, or economic disadvantage;~~

~~(e) "Emotional disturbance (behavior disorder)" means a condition in which a variety of excessive chronic, deviant, inappropriate, persistent behaviors are exhibited which adversely affect a child's educational performance;~~

~~(f) "Multiple handicapped" means a combination of two or more moderate to profound handicaps which produce serious learning, developmental, or behavioral/emotional problems. These handicaps prohibit or seriously limit progress in a regular or special education program designed to accommodate children with a single handicap;~~

~~(g) "Exceptional student" means a student identified as possessing demonstrated or potential ability to perform at an exceptionally high level in general intellectual aptitude, specific academic aptitude, creative or divergent thinking, psychosocial or leadership skills, or in the visual or performing arts~~].

(2) "Special education" means specially designed instruction to meet the unique needs of ***an exceptional*** [~~a handicapped~~] child ***or youth***.

(3) "Special educational facilities" means physical facilities designed or adapted to meet the needs of exceptional children ***and youth,*** and approved according to regulations promulgated by the State Board for Elementary and Secondary Education.

(4) "Related services" means such developmental, corrective and other supportive services as are required to assist ***an exceptional*** [~~a handicapped~~] child ***or youth*** to benefit from special education, and may include, but are not limited to, psychological services, physical and occupational therapy, [~~physical education,~~] identification and assessment of disabilities, counseling services and medical services for diagnostic or evaluation purposes.

(5) "Transition services" means a coordinated set of activities for a pupil designed within an outcome-oriented process, that promotes movement from school to post-school activities. The term includes:

(a) Postsecondary education;

(b) Vocational training; and

(c) Integrated employment including supported employment, continuing and adult education, adult services, independent living, or community participation.

The coordinated set of activities shall be based on the individual pupil's needs, taking into account the pupil's preferences and interests, and shall include instruction, community experience, the development of employment, and other post-school adult living objectives, and, if appropriate, acquisition of daily living skills and functional vocational evaluation.

Section 2. KRS 157.224 is amended to read as follows:

(1) The Commonwealth of Kentucky is committed to providing a comprehensive educational program for its exceptional [~~school age~~] children ***and youth.*** The Department of Education coordinates, directs, and monitors that program. State direction and implementation of a statewide exceptional education program is manifested in the biennial appropriation of funds to [~~finance a particular number of such classroom units. The rate at which new exceptional units are funded indicates the state's ability to~~] assure a quality educational opportunity for ***exceptional children and youth*** [~~appropriate students~~] in existing, locally operated, exceptional ***classrooms*** [~~class units~~].

(2) All county and independent boards of education shall operate special education programs [~~to the extent required by, and~~] pursuant to ***an application*** [~~, a plan~~] which has been approved by the ***Kentucky Department of*** [~~State Board for Elementary and Secondary~~] Education. If any county or independent board of education fails to operate and implement special education programs in accordance with ***that application*** [~~an aforesaid plan~~], the application of ***the*** [~~said~~] county or independent board of education for ***funding pursuant to KRS 157.360*** [~~minimum foundation payments~~] may be considered insufficient.

Section 3. KRS 157.226 is amended to read as follows:

(1) Effective with the 1991-92 school year, any child who has been identified as ***disabled*** [~~handicapped~~] in accordance with ***the Individuals with Disabilities Education Act, Public Law 101-476*** [~~Public Law 94-142 as amended by Public Law 99-457~~], or as exceptional by ***subsection (1)(a) to (m) of Section 1 of this Act*** [~~KRS 157.220~~] and corresponding administrative regulations, and who is three (3) or four (4) years of age, or who may become five (5) years of age after October 1 of the current year, shall be eligible for a free and appropriate preschool education and related services.

(2) The General Assembly shall provide funds to be used for preschool education programs and related services for ***exceptional*** [~~handicapped~~] children. Appropriations shall be separate from all other state funds appropriated to the Department of Education and shall be administered in accordance with applicable state statutes and administrative regulations and ***the Individuals with Disabilities Education Act, Public Law 101-476*** [~~Public Law 94-142 as amended by Public Law 99-457~~].

(3) Eligible local school districts shall receive funds based on the number of appropriately identified handicapped children being served on December 1 of the prior year, except during the 1991-92 school year funds shall be allotted based on the number of children being served on September 30, 1991. Local school districts may develop cooperative arrangements with other school districts or organizations in accordance with KRS 157.280.

(4) The State Board for Elementary and Secondary Education shall adopt administrative regulations related to the administration and supervision of programs, eligibility criteria, personnel requirements, and the ***allocation and*** use of funds.

Section 4. KRS 157.250 is amended to read as follows:

No person shall be employed to teach in any special education program authorized by KRS 157.230 unless he has had ***any*** [~~such~~] special training ***required by*** [~~as~~] the ***Education Professional Standards Board and the*** State Board for Elementary and Secondary Education [~~may require~~].

Section 5. KRS 157.260 is amended to read as follows:

[~~The director of pupil personnel of~~] Each school district shall ascertain annually all children within ***the*** [~~his~~] district who are handicapped and shall report [~~the same~~] to the Department of Education on forms provided by the Department of Education and according to ***administrative*** regulations ***promulgated by the State Board for Elementary and Secondary Education*** [~~prescribed by the chief state school officer~~].

The Committee Amendment No. 1 to **HB 223** is as follows:

Amend printed copy of **HB 223** on page 10, line 10 after "insufficient", insert the following:

"***The superintendent of each local school district shall certify its enrollment of exceptional children and youth to the Department of Education. The department shall audit student enrollment and monitor local district compliance in accordance with State Board for Elementary and Secondary Education administrative regulations.***";

On page 12, line 2 by inserting "***disabled***" after the word "are"; and

On page 12, line 2 by placing brackets around and striking through the word "handicapped".

The Committee Amendment No. 2 to **HB 223** is as follows:

Amend printed copy of **HB 223** on page 10 line 3 after the word "Education" and before the period add the following language:

"***pursuant to standards set out in regulations of the State Board for Elementary and Secondary Education***"; and

On page 11, line 20 after the word "teach" insert "***or serve as special education coordinator, director, supervisor, or other special education administrator***"; and

On page 11, line 21 after "KRS" bracket and strikethrough "157.230" and insert in lieu thereof "***157.200 to 157.290***"; and

On page 11, line 21 after the word "he" put an opening bracket before the word "has"; and

On page 11, line 22 remove brackets and strikethroughs from the words "such" and "as"; and

On page 11, line 24 remove the opening bracket before the words "may require"; and

On page 11 lines 22 to 23 delete all underlined language; and

On page 11, lines 21-24 strikethrough all existing language in between the brackets; and

On page 11, lines 22-24 insert in lieu thereof:

"***holds certification in special education as required by the Education Professional Standards Board***".

HB 224, AN ACT relating to class sizes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 157.360 is amended to read as follows:

(1) In determining the cost of the program to support education excellence in Kentucky, the statewide guaranteed base funding level, as defined in KRS 157.320, shall be computed by dividing the amount appropriated for this purpose by the prior year's statewide average daily attendance.

(2) Each district shall receive an amount equal to the base funding level for each pupil in average daily attendance in the district in the previous year. Each district's base funding level shall be adjusted by the following factors:

(a) The number of at-risk students in the district. At-risk students shall be identified as those approved for the free lunch program under state and federal guidelines. The number of at-risk students shall be multiplied by a factor to be established by the General Assembly;

(b) The number and types of exceptional children in the district as defined by KRS 157.200. No later than October 1, 1991, specific weights for each category of exceptionality shall be developed by the Department of Education and shall be used in the calculation of the add-on factor for exceptional children. Prior to the development of the necessary weights, the General Assembly shall determine the costs associated with the education of exceptional children based on the count of pupils with different exceptionalities, an appropriate pupil-teacher ratio, and total per-pupil costs; and

(c) Transportation costs. The per pupil cost of transportation shall be calculated as provided by KRS 157.370. No later than October 1, 1991, the Office of Education Accountability's Division of School Finance shall examine the components of the current system for allocating transportation funds, and recommend any needed changes to the General Assembly, the Governor, and the State Board for Elementary and Secondary Education. Districts which contract to furnish transportation to students attending nonpublic schools may adopt any payment formula which assures that no public school funds are used for the transportation of nonpublic students.

(3) The program to support education excellence in Kentucky shall be fully implemented by the 1994-95 school year. No district shall receive an annual increase in state funds of less than eight percent (8%) for 1990-91 and five percent (5%) in 1991-92 or more than twenty-five percent (25%) in either year.

(4) ***(a)*** Except for those schools which have implemented school-based decision making, the chief state school officer shall enforce maximum class sizes for every academic course requirement in all grades except in vocal and instrumental music, art, ***and*** physical education[~~, and special education~~] classes. Except in classes combining pupils from two (2) or more grade levels, the maximum number of pupils enrolled in a class shall be as follows:

1.[~~(a)~~] Twenty-four (24) in primary grades (kindergarten through third grade);

2.[~~(b)~~] Twenty-eight (28) in grade four (4);

3.[~~(c)~~] Twenty-nine (29) in grades five (5) and six (6);

4.[~~(d)~~] Thirty-one (31) in grades seven (7) to twelve (12);

(b)[~~(e)~~] Except for those schools which have implemented school-based decision making, class size loads for middle and secondary school classroom teachers shall not exceed the equivalent of one hundred fifty (150) pupil hours per day.

(c) The chief state school officer, upon approval of the State Board for Elementary and Secondary Education, shall adopt administrative regulations for enforcing this provision. These administrative regulations shall include procedures for a superintendent to request an exemption from the State Board for Elementary and Secondary Education when unusual circumstances warrant an increased class size for an individual class. A request for an exemption shall include specific reasons for the increased class size with a plan for reducing the class size prior to the beginning of the next school year. A district shall not receive in any one (1) year exemptions for more classes than enroll twenty percent (20%) of the pupils in the primary grades and grades four (4) through eight (8).

(d) In all schools the chief state school officer shall enforce the special education maximum class sizes set by administrative regulations adopted by the State Board for Elementary and Secondary Education. A superintendent may request an exemption pursuant to paragraph (c) of this section. A local school council may request a waiver pursuant to KRS 156.160(2). An exemption or waiver shall not be granted if the increased class size will impede any exceptional child from achieving his individual education program.

(5) In grades four (4) through six (6) with combined grades, the maximum class size shall be the average daily attendance upon which funding is appropriated for the lowest assigned grade in the class. There shall be no exceptions to the maximum class size for combined classes. In combined classes other than the primary grades, no ungraded students shall be placed in a combined class with graded students. In addition, there shall be no more than two (2) consecutive grade levels combined in any one (1) class in grades four (4) through six (6). However, this shall not apply to schools which have implemented school-based decision making.

(6) If a local school district, through its admission and release committee, determines that an appropriate program in the least restrictive environment for a particular handicapped child includes either part-time or full-time enrollment with a private school or agency within the state or a public or private agency in another state, the school district shall count as average daily attendance in a public school the time that the child is in attendance at the school or agency, contingent upon approval by the chief state school officer.

(7) Pupils attending a center for child learning and study established under an agreement pursuant to KRS 65.210 to 65.300 shall, for the purpose of calculating average daily attendance, be considered as in attendance in the school district in which the child legally resides and which is party to the agreement. For purposes of subsection (1) of this section, teachers who are actually employees of the joint or cooperative action shall be considered as employees of each school district which is a party to the agreement.

(8) Program funding shall be increased when the average daily attendance in any district for the first two (2) months of the current school year is greater than the average daily attendance of the district for the first two (2) months of the previous school year. The program funds allotted the district shall be increased by the percent of increase. The average daily attendance in kindergarten is the kindergarten full-time equivalent pupils in average daily attendance.

(9) If the percentage of attendance of any school district shall have been reduced more than two percent (2%) during the previous school year, the program funding allotted the district for the current school year shall be increased by the difference in the percentage of attendance for the two (2) years immediately prior to the current school year less two percent (2%).

(10) (a) Instructional salaries for vocational agriculture classes shall be allotted for twelve (12) months per year. Vocational agriculture teachers shall be responsible for the following program of instruction during the time period beyond the regular school term established by the local board of education: supervision and instruction of students in agriculture experience programs; group and individual instruction of farmers and agribusinessmen; supervision of student members of agricultural organizations who are involved in leadership training or other activity required by state or federal law; or any program of vocational agriculture established by the Office of Vocational Education in the Department of Education. Salary allotments for vocational agriculture units shall be computed by proportionately increasing the salary schedule allocation based on the regular one hundred eighty-five (185) day school year for teachers with comparable qualifications and experience. During extended employment, no vocational agriculture teacher shall receive salary on a day that the teacher is scheduled to attend an institution of higher education class which could be credited toward meeting any certification requirement.

(b) Each teacher of agriculture employed twelve (12) months per year shall submit an annual plan for summer program to the local school superintendent for approval. The summer plan shall include a list of tasks to be performed, purposes for each task, and time to be spent on each task. Approval by the local school superintendent shall be in compliance with the guidelines developed by the State Department of Education. The supervision and accountability of teachers of vocational agriculture's summer programs shall be the responsibility of the local school superintendent. The local school superintendent shall submit to the chief state school officer a completed report of summer tasks for each vocational agriculture teacher employed for twelve (12) months. Twenty percent (20%) of the approved twelve (12) month vocational agriculture programs shall be audited annually by the State Department of Education to determine that the summer plan has been properly executed.

(c) For the 1990-91 and the 1991-92 school years, an add-on appropriation shall be made to local school districts which are operating secondary vocational education programs. The amount provided in the budget shall be allocated on a per pupil basis and shall be used to meet the higher per student cost of operating vocational education programs.

(11) (a) In allotting program funds for home and hospital instruction, statewide guaranteed base funding excluding the capital outlay, shall be allotted for each child in average daily attendance in the current school year who has been properly identified according to State Board for Elementary and Secondary Education administrative regulations. Attendance shall be calculated pursuant to KRS 157.270 and shall be reported monthly on forms provided by the Department of Education; and

(b) Pursuant to administrative regulations of the Department of Education, local school districts shall be reimbursed for home and hospital instruction for pupils unable to attend regular school sessions because of short term health impairments. A reimbursement formula shall be established by administrative regulations to include such factors as a reasonable per hour, per child allotment for teacher instructional time, with a maximum number of funded hours per week, a reasonable allotment for teaching supplies and equipment, and a reasonable allotment for travel expenses to and from instructional assignments, but the formula shall not include an allotment for capital outlay. Attendance shall be calculated pursuant to KRS 157.270 and shall be reported monthly on forms provided by the Department of Education.

(12) Except for those schools which have implemented school-based decision making, kindergarten aides shall be provided for each ***twenty-four (24)*** [~~twenty-five (25)~~] full-time equivalent kindergarten students enrolled.

The Committee Amendment No. 1 to **HB 224** is as follows:

Amend printed copy of **HB 224** on page 1, line 20 after the first comma "," insert "***1993***";

on page 1, line 20 bracket and strikethrough "1991"; and

on page 4, line 17 after "***program***" insert "***in the least restrictive environment***".

The Committee Amendment No. 2 to **HB 224** is as follows:

Amend printed copy of **HB 224** on page 9, line 9 by inserting after the word "making" the following:

"***and the school council has voted to waive this subsection***".

The Committee Amendment No. 3 to **HB 224** is as follows:

Amend printed copy of **HB 224** on page 3, line 4 by placing brackets "□" around and striking through "art,"

HB 226, AN ACT relating to student discipline.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 158.150 is amended to read as follows:

(1) All pupils admitted to the common schools shall comply with the lawful regulations for the government of the schools:

(a) Willful disobedience or defiance of the authority of the teachers or administrators, use of profanity or vulgarity, assault or battery or abuse of other students, the threat of force or violence, the use or possession of alcohol or drugs, stealing or destruction or defacing of school property or personal property of students, the carrying or use of weapons or dangerous instruments, or other incorrigible bad conduct on school property, as well as off school property at school-sponsored activities, constitutes cause for suspension or expulsion from school; and

(b) Assault or battery or abuse of school personnel; stealing or willfully or wantonly defacing, destroying, or damaging the personal property of school personnel on school property, off school property, or at school-sponsored activities constitutes cause for suspension or expulsion from school.

(2) A pupil shall not be suspended from the common schools until after at least the following due process procedures have been provided:

(a) The pupil has been given oral or written notice of the charge or charges against him which constitute cause for suspension;

(b) The pupil has been given an explanation of the evidence of the charge or charges if the pupil denies them; and

(c) The pupil has been given an opportunity to present his own version of the facts relating to the charge or charges.

These due process procedures shall precede any suspension from the common schools unless immediate suspension is essential to protect persons or property or to avoid disruption of the ongoing academic process. In such cases, the due process procedures outlined above shall follow the suspension as soon as practicable, but no later than three (3) school days after the suspension.

(3) The superintendent, principal, assistant principal, or head teacher of any school may suspend a pupil but shall report ***the*** [~~such~~] action in writing immediately to the superintendent and to the parent, guardian, or other person having legal custody or control of the pupil. The board of education of any school district may expel any pupil for misconduct as defined in subsection (1) of this section, but ***the*** [~~such~~] action shall not be taken until the parent, guardian, or other person having legal custody or control of the pupil has had an opportunity to have a hearing before the board. The decision of the board shall be final.

(4) (a) Suspension of exceptional children, as defined in KRS 157.200, for more than a total of ten (10) days during a school year shall constitute a change of educational placement. The admissions and release committee shall meet to review the placement and make a recommendation for a continuance or a change in placement.

(b) If a local school district seeks to expel the student, the admissions and release committee shall make a determination of whether the pupil's behavior leading to the recommendation for the expulsion is related to his handicapping condition and whether expulsion may be pursued. Services shall not cease during the period of review. A district may seek relief through the courts if it appears that retaining a pupil in the educational placement recommended by the admissions and release committee will likely result in injury to the student or others.

The Committee Substitute to **HB 226** is as follows:

HB 226, AN ACT relating to student discipline.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 158.150 is amended to read as follows:

(1) All pupils admitted to the common schools shall comply with the lawful regulations for the government of the schools:

(a) Willful disobedience or defiance of the authority of the teachers or administrators, use of profanity or vulgarity, assault or battery or abuse of other students, the threat of force or violence, the use or possession of alcohol or drugs, stealing or destruction or defacing of school property or personal property of students, the carrying or use of weapons or dangerous instruments, or other incorrigible bad conduct on school property, as well as off school property at school-sponsored activities, constitutes cause for suspension or expulsion from school; and

(b) Assault or battery or abuse of school personnel; stealing or willfully or wantonly defacing, destroying, or damaging the personal property of school personnel on school property, off school property, or at school-sponsored activities constitutes cause for suspension or expulsion from school.

(2) A pupil shall not be suspended from the common schools until after at least the following due process procedures have been provided:

(a) The pupil has been given oral or written notice of the charge or charges against him which constitute cause for suspension;

(b) The pupil has been given an explanation of the evidence of the charge or charges if the pupil denies them; and

(c) The pupil has been given an opportunity to present his own version of the facts relating to the charge or charges.

These due process procedures shall precede any suspension from the common schools unless immediate suspension is essential to protect persons or property or to avoid disruption of the ongoing academic process. In such cases, the due process procedures outlined above shall follow the suspension as soon as practicable, but no later than three (3) school days after the suspension.

(3) The superintendent, principal, assistant principal, or head teacher of any school may suspend a pupil but shall report ***the*** [~~such~~] action in writing immediately to the superintendent and to the parent, guardian, or other person having legal custody or control of the pupil. The board of education of any school district may expel any pupil for misconduct as defined in subsection (1) of this section, but ***the*** [~~such~~] action shall not be taken until the parent, guardian, or other person having legal custody or control of the pupil has had an opportunity to have a hearing before the board. The decision of the board shall be final.

(4) (a) Suspension of exceptional children, as defined in KRS 157.200, for more than a total of ten (10) days during a school year shall constitute a change of educational placement. The admissions and release committee shall meet to review the placement and make a recommendation for continued placement or a change in placement and determine whether regular suspension or expulsion procedures apply. Additional evaluations shall be completed, if necessary.

(b) If the admissions and release committee determines that an exceptional child's behavior is related to his disability, the child shall not be suspended any further or expelled. If the admissions and release committee determines that the behavior is not related to the disability, the local educational agency may pursue its regular suspension or expulsion procedure for the child, if the behavior so warrants. However, educational services shall not be terminated during a period of expulsion. A district may seek temporary injunctive relief through the courts if the parent and the other members of the admissions and release committee cannot agree upon a placement and the current placement will likely result in injury to the student or others.

HB 788, AN ACT relating to teachers' retirement and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 161.220 is amended to read as follows:

As used in KRS 161.230 through 161.716, and 161.990:

(1) "Retirement system" means the arrangement provided for in KRS 161.230 through 161.716, and 161.990 for payment of allowances to members;

(2) "Retirement allowance" means the amount annually payable during the course of his natural life to a member who has been retired by reason of service;

(3) "Disability allowance" means the amount annually payable to a member retired by reason of disability;

(4) "Member" means the chief state school officer, principal assistants to the chief state school officer, and all division directors in the state Department of Education, and any regular or special teacher, or professional occupying a position requiring certification or graduation from a four (4) year college or university, as a condition of employment, and who is employed by public boards, institutions, or agencies as follows:

(a) Local boards of education;

(b) Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Western Kentucky University, and any community or junior colleges established under the control of ***these universities*** [~~any of the above~~];

(c) State and area vocational schools, Kentucky School for the Blind, and Kentucky School for the Deaf;

(d) The state Department of Education, other public education agencies as created by the General Assembly, and such members of the administrative staff of the Teachers' Retirement System of the state of Kentucky as the board of trustees may designate by administrative regulation;

(e) Regional cooperative organizations formed by local boards of education or other public educational institutions listed in this subsection, for the purpose of providing educational services to the participating organizations;

(f) All full-time members of the staffs of the Kentucky Association of School Administrators, Kentucky Education Association, Kentucky Vocational Association, Kentucky High School Athletic Association, Kentucky Academic Association, and the Kentucky School Boards Association who were members of the Kentucky Teachers' Retirement System or were qualified for a position covered by the system at the time of employment by the association in the event that the board of directors of the respective association petitions to be included. The board of trustees of the Kentucky Teachers' Retirement System may designate by resolution whether part-time employees of the petitioning association are to be included. The state shall make no contributions on account of these employees, either full-time or part-time. The association shall make the employer's contributions, including any contribution that is specified under KRS 161.550. The provisions of this paragraph shall be applicable to persons in the employ of the associations on or subsequent to July 1, 1972;

(g) The State Department for Adult and Technical Education [~~and the State Board for Adult and Technical Education~~]; and

(h) The Department of Vocational Rehabilitation.

(5) "Present teacher" means any teacher who was a teacher on or before July 1, 1940, and became a member of the retirement system created by Acts 1938 (1st Ex. Sess.), Ch. 1, on the date of the inauguration of the system or within one (1) year after that date, and any teacher who was a member of a local teacher retirement system in the public elementary or secondary schools of the state on or before July 1, 1940, and

continued to be a member of the system until he, with the membership of the local retirement system, became a member of the state Teachers' Retirement System or who becomes a member under the provisions of KRS 161.470(4);

(6) "New teacher" means any member not a present teacher;

(7) "Prior service" means the number of years during which the member was a teacher in Kentucky prior to July 1, 1941, except that not more than thirty (30) years' prior service shall be allowed or credited to any teacher;

(8) "Subsequent service" means the number of years during which the teacher is a member of the Teachers' Retirement System after July 1, 1941;

(9) "Final average salary" means the average of the five (5) highest annual salaries which the member has received for service in a covered position and on which the member has made contributions, or on which the public board, institution, or agency has picked up employee contributions pursuant to KRS 161.540(2), or the average of the five (5) years of highest salaries as defined in KRS 61.680(2)(a), which shall include picked up employee contributions.[~~;~~] However, if any of the five (5) highest annual salaries used to calculate the final average salary was paid within the three (3) years immediately prior to the date of the member's retirement, the amount of salary to be included for each of those three (3) years for the purpose of calculating the final average salary shall be limited to the lesser of:

(a) The member's actual salary; or

(b) The member's annual salary that was used for retirement purposes during each of the prior three (3) years, plus a percentage increase equal to the percentage increase received by all other members employed by the public board, institution, or agency, or for employees of school districts, the highest percentage increase received by members on any one (1) rank and step of the salary schedule of the school district. The increase shall be computed on the salary that was used for retirement purposes.

This limitation shall not apply if the member receives an increase in salary in a percentage exceeding that received by the other members, and this increase was accompanied by a corresponding change in position or in length of employment;

(10) "Annual compensation" means the total salary received by a member as compensation for all services performed in employment covered by the retirement system during a fiscal year. ***Annual compensation shall not include payment for any benefit or salary adjustments made by the public board, institution, or agency to the member or on behalf of the member which is not available as a benefit or salary adjustment to other members employed by that public board, institution, or agency. The board of trustees shall determine if any benefit or salary adjustment qualifies as annual compensation***[~~, including any deductions, or any amount agreed upon by the member and the employer as an alternate form of remuneration to the member for services performed~~];

(11) "Age of member" means the age attained on the first day of the month immediately following the birthdate of the member. This definition is limited to retirement eligibility and does not apply to tenure of members;

(12) "Age of entrance" means the age attained at the last birthday of any member at the time of the establishment of the retirement system, if the member was a member subject to membership in the system at that time. Otherwise it means the age attained as of July 1 of the fiscal year in which he first becomes a member of the retirement system. Any birthday occurring on February 29 shall be considered as occurring on February 28;

(13) "Regular interest" means interest at three percent (3%) per annum;

(14) "Accumulated contributions" means the contributions of a member to the teachers' savings fund [~~for retirement annuity~~], including picked up employee contributions as described in KRS 161.540(2), plus accrued regular interest;

(15) "Annuitant" means a person who receives a retirement allowance or a disability allowance;

(16) "Local retirement system" means any teacher retirement or annuity system created in any public school district in Kentucky in accordance with the laws of Kentucky;

(17) "Fiscal year" means the twelve (12) month period from July 1 to June 30;

(18) "Public schools" means the schools and other institutions mentioned in subsection (4) of this section;

(19) "Dependent" as used in KRS 161.520 and 161.525 means a person who was receiving, at the time of death of the member, at least one-half (1/2) of the support from the member for maintenance, including board, lodging, medical care, and ***related*** [~~like~~] costs;

(20) "Active contributing member" means a member currently making contributions to the Teachers' Retirement System, [~~or~~] who made contributions in the next preceding fiscal year, [~~or~~] for whom picked up employee contributions are currently being made, or for whom such contributions were made in the next preceding fiscal year; and

(21) "Regular teacher, supervisor, or administrator," when used to determine eligibility for membership in the retirement system, means a professional employee holding a position which requires services on a continuing basis equal to at least seven-tenths (7/10) of normal full-time service on a daily or weekly basis.

Section 2. KRS 161.290 is amended to read as follows:

(1) The board of trustees shall meet on the third Monday during the months of March, June, September, and December of each year. Special meetings may be called by the chairperson upon giving adequate notice to each member of the board of trustees. The business to be transacted at special meetings shall be specified in the notice of the meeting.

(2) The members of the board of trustees shall serve without compensation, except that elective trustees shall receive ninety dollars ($90) for each day the board is in session and all elected trustees shall be reimbursed from the expense fund for all necessary expenses they incur through service to the board without limitation of the provisions of KRS Chapters 44 and 45.

(3) The board of trustees may authorize a per diem, not to exceed ninety dollars ($90) per day, for trustees representing the system on committees or commissions established by statute or for service as an official representative of the board of trustees.

(4) The school district which employs a teacher trustee who is required to attend regular or special meetings of the board of trustees, represent the system on committees or commissions, or serve as an official representative of the board of trustees, shall provide the teacher trustee with special leave with pay and pay the compensation for a substitute for the teacher trustee during periods of absence upon certification by the teacher trustee that the trustee is performing these duties for the system.

Section 3. KRS 161.420 is amended to read as follows:

All of the assets of the retirement system are for the exclusive purpose of providing benefits to members and annuitants and defraying reasonable expenses of administering the system. The board of trustees shall be the trustee of all funds of the system and shall have full power and responsibility for administering the funds. It is hereby declared that the restrictions and rights provided herein shall not be subject to reduction or impairment by alteration, amendment, or ***repeal*** [~~appeal~~]. All the assets of the retirement system shall be credited according to the purpose for which they are held to one (1) of the following funds:

(1) The expense fund shall consist of the funds set aside from year to year by the board of trustees to defray the expenses of the administration of the retirement system. Each fiscal year an amount not greater than four percent (4%) of the ***income earned from investments during the immediate past fiscal year*** [~~receipts of the state accumulation fund~~] shall be set aside into the expense fund or expended for the administration of the retirement system;

(2) The teachers' savings fund shall consist of the contributions paid by members of the retirement system into this fund and regular interest assigned by the board of trustees from the guarantee fund. The accumulated contributions of a member returned to him upon his withdrawal or paid to his estate or designated beneficiary in the event of his death shall be paid from the teachers' savings fund. Any accumulated contributions forfeited by a failure of a teacher or his estate to claim these contributions shall be transferred from the teachers' savings fund to the guarantee fund. The accumulated contributions of a member shall be transferred from the teachers' savings fund to the allowance reserve fund in the event of retirement by reason of service or disability;

(3) The state accumulation fund shall consist of funds appropriated by the state for the purpose of providing annuities, survivor benefits, and death benefits, including any sums appropriated for meeting unfunded liabilities, [~~excluding money assigned to the expense fund,~~] together with regular interest assigned by the board of trustees from the guarantee fund. At the time of retirement or death of a member there shall be

transferred from the state accumulation fund to the allowance reserve fund an amount which together with the sum transferred from the teachers' savings fund will be sufficient to provide the member a retirement allowance and provide for benefits under KRS 161.520, 161.525, and 161.655;

(4) The allowance reserve fund shall be the fund from which shall be paid all retirement allowances and benefits provided under KRS 161.520, 161.525, and 161.655. In addition, whenever a change in the status of a member results in an obligation on this fund, there shall be transferred to this fund from the teachers' savings fund, and the state accumulation fund, the amounts as may be held in those funds for the account or benefit of the member;

(5) The medical insurance fund shall consist of amounts accumulated for the purpose of providing benefits as provided in KRS 161.675. One and five tenths percent (1.5%) of the gross annual payroll of all members shall be deposited to this fund. One-half (1/2) of this amount shall derive from member contributions and one-half (1/2) from ***a*** state appropriation. All claims for benefits under KRS 161.675 shall be paid from this fund. Any amounts not required to meet current costs shall be maintained as a reserve for these benefits; and

(6) The guarantee fund shall be maintained to facilitate the crediting of uniform interest on the amounts of the other funds, except the expense fund, and to provide a contingent fund out of which special requirements of any of the other funds may be covered. All income, interest, and dividends derived from the authorized deposits and investments shall be paid into the guarantee fund. Any funds received from gifts and bequests, which the board is hereby authorized to accept, shall be credited to the guarantee fund. Any funds transferred from the teachers' savings fund by reason of lack of claimant or because of a surplus in any fund and any other moneys whose disposition is not otherwise provided for, shall also be credited to the guarantee fund. The interest allowed by the board of trustees to each of the other funds shall be paid to these funds from the guarantee fund. Any deficit occurring in any fund that would not be automatically covered shall be met by the payments from the guarantee fund to that fund. The board of trustees may, at the beginning of a fiscal year, transfer from the guarantee fund to the medical insurance fund an amount not to exceed ***four*** [~~two~~] percent ***(4%)*** [~~(2%)~~] of the income earned from investments during the immediate past year.

(7) The school employee annuity fund shall consist of those funds voluntarily contributed under the provisions of section 403(b) of the Internal Revenue Code by any member of the Teachers' Retirement System, or the employer of the member, or both. The contributions shall not be picked up as provided in KRS 161.540(2). The contributions shall be invested as provided in KRS 161.430. Separate member accounts shall be maintained for each member. The board of trustees may promulgate administrative regulations pursuant to KRS Chapter 13A to manage this program.

Section 4. KRS 161.430 is amended to read as follows:

(1) The board of trustees shall be the trustee of the funds of the retirement system and shall have full power and responsibility for the purchase, sale, exchange, transfer, or other disposition of the investments and moneys of the retirement system. The board shall, by administrative regulation, establish investment policies and procedures to carry out their responsibilities. The board shall employ experienced competent investment counselors to advise it on all matters pertaining to investment, except the board may employ qualified investment personnel to advise it on investment matters not to exceed ***fifty*** [~~twenty-five~~] percent ***(50%)*** [~~(25%)~~] of the book value of the system's assets. Effective July 1, 1991, no investment counselor shall manage more than forty percent (40%) of the funds of the retirement system. The board may appoint an investment committee consisting of the executive secretary and two (2) trustees to act for the board in all matters of investment, subject to the approval of the board of trustees. The board of trustees, in keeping with their responsibilities as trustees and wherever consistent with their fiduciary responsibilities, shall give priority to the investment of funds in obligations calculated to improve the industrial development and enhance the economic welfare of the Commonwealth. Toward this end, the board shall develop procedures for informing the business community of the potential for in-state investments by the retirement fund, accepting and evaluating applications for the in-state investment of funds, and working with members of the business community in executing in-state investments which are consistent with the board's fiduciary responsibilities. The board shall include in the criteria it uses to evaluate in-state investments their potential for creating new employment opportunities and adding to the total job pool in Kentucky. The board may cooperate with the board of trustees of Kentucky Retirement Systems in developing its program and procedures, and shall report to the Legislative Research Commission annually on its progress in placing in-state investments. The first report shall be submitted by October 1, 1991, and subsequent reports shall be submitted by October 1 of each year thereafter. The report shall include the number of applications for in-state investment received, the nature of the investments proposed, the amount requested, the amount invested, and the percentage of applications which resulted in investments.

(2) The board members and investment counselor shall discharge their duties with respect to the assets of the system solely in the interests of the active contributing members and annuitants and:

(a) For the exclusive purpose of providing benefits to members and annuitants and defraying reasonable expenses of administering the system;

(b) With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

(c) By diversifying the investments of the plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and

(d) In accordance with the laws, administrative regulations and other instruments governing the system.

(3) (a) In choosing and contracting for professional investment management services the board must do so prudently and in the interest of the members and annuitants. Any contract that the board makes with an investment counselor shall set forth policies and guidelines of the board with reference to standard rating services and specific criteria for determining the quality of investments.

(b) An investment counselor appointed under this section shall acknowledge in writing his fiduciary responsibilities to the fund. To be eligible for appointment, an investment counselor must be:

1. Registered under the Federal Investment Advisors Act of 1940; or

2. A bank as defined by that Act; or

3. An insurance company qualified to perform investment services under the laws of more than one (1) state.

(4) No investment or disbursement of funds shall be made unless authorized by the board of trustees, except that the board, in order to ensure timely market transactions, shall establish investment guidelines, by administrative regulation, and may permit its staff and investment counselors employed pursuant to this section to execute purchases and sales of investment instruments within those guidelines without prior board approval.

Section 5. KRS 161.480 is amended to read as follows:

(1) Each person, upon becoming a member of the retirement system, shall file a detailed statement as required by the board of trustees and shall designate a beneficiary to receive any benefits accruing from the death of the member. This designation shall remain in [~~full force and~~] effect until changed by the member on forms prescribed by the Kentucky Teachers' Retirement System, except that subsequent marriage or divorce by the member shall void the designation[~~;~~] and the spouse of the member at death shall be considered as beneficiary in the event of subsequent marriage, and the estate of the member shall be considered as beneficiary in the event of subsequent divorce, unless the member subsequent to marriage or divorce designates another beneficiary. The provisions of this section shall be retroactive as they relate to election of beneficiaries by members still in active status on the effective date of this section.

(2) Each retiree shall, prior to the effective date of retirement, designate a beneficiary who shall be eligible to receive [~~such~~] survivors' benefits as may be provided by the retirement option selected by the retiree. A [~~beneficiary designation may not be changed after the effective date of retirement, except that a~~] divorce, annulment, marriage dissolution, or death of a spouse or the death of any other designated beneficiary following retirement shall, at the election of the retiree, cancel any optional plan selected at retirement to provide continuing lifetime benefits to ***the*** [~~such~~] beneficiary and the retiree may designate a beneficiary to receive any refundable balance at the retiree's death.

(3) A beneficiary designation may not be changed after the effective date of retirement except for retirees who elect the straight life annuity with refundable balance option or the predetermined years certain and life thereafter option.

Section 6. KRS 161.520 is amended to read as follows:

Upon death of an active contributing member or upon the death of a member retired for disability, except as provided in KRS 161.661(6), the survivors of the deceased member in the following named order, may elect to receive a survivor's benefit payable as follows:

(1) Where there is a surviving widow or widower who is named as beneficiary of the member's retirement account, the benefit shall be:

(a) One hundred eighty dollars ($180) per month with no restriction on other income;

(b) Two hundred ***forty*** [~~twenty~~] dollars ***($240)*** [~~($220)~~] per month when the surviving widow or widower's total income from all sources does not exceed six thousand ***six hundred*** dollars ***($6,600)*** [~~($6,000)~~] per year or five hundred ***fifty*** dollars ***($550)*** [~~($500)~~] per month. ***The increase provided in this subsection shall not be implemented unless funding is provided in the 1992-94 biennial budget appropriation***; or

(c) If the deceased member has a minimum of ten (10) years of service credit with the Teachers' Retirement System, the surviving widow or widower may apply for an annuity actuarially equivalent to the annuity that would have been paid to the deceased member when eligibility conditions were met. Eligibility for payments would begin at the time the age of the deceased member would have met the requirements of KRS 161.600(1). In exercising this right, the surviving widow or widower shall be entitled to receive an annuity for life, except as provided in subsection (6) of this section. This subsection applies to surviving spouses of members who die on or after July 1, 1978. A surviving widow or widower shall be eligible for benefit payments provided under paragraphs (a) and (b) of this subsection until they begin receiving payments under this provision.

(2) Where there are surviving unmarried children under age eighteen (18) or under age nineteen (19) if a full-time student in high school, the benefit shall be ***two*** [~~one~~] hundred [~~eighty~~] dollars ***($200)*** [~~($180)~~] per month in the case of one (1) child, three hundred ***forty*** [~~ten~~] dollars ***($340)*** [~~($310)~~] per month in the case of two (2) children, ***four*** [~~three~~] hundred [~~sixty~~] dollars ***($400)*** [~~($360)~~] per month in the case of three (3) children, and four hundred ***forty*** dollars ***($440)*** [~~($400)~~] per month in the case of four (4) or more children. Benefits under this subsection shall apply in addition to benefits which may be payable under subsections (1) and (3) of this section. ***The increase provided in this subsection shall not be implemented unless funding is provided in the 1992-94 biennial budget appropriation.***

(3) Where the survivor is a child age eighteen (18) or older whose mental or physical condition is sufficient to cause his dependency on the deceased member at the time of the member's death, the benefit shall be two hundred dollars ($200) per month, payable for the life of the child or until the time as the mental or physical condition creating the dependency no longer exists or the child marries. Benefits under this subsection and subsection (2) of this section shall apply to legally adopted survivors provided the proceedings for the adoption were initiated at least one ***(1)*** year prior to the death of the member. The mental or physical condition of the adult child shall be revealed by a competent examination by a licensed physician and shall be approved by a majority of a medical review committee as defined in KRS 161.661***(13)***[~~(12)~~]. Benefits under this subsection shall apply in addition to benefits which may be payable under subsections (1) and (2) of this section.

(4) Where the sole eligible survivors are dependent parents aged sixty-five (65) or over, the benefit shall be two hundred dollars ($200) per month for one (1) parent or two hundred ninety dollars ($290) per month for two (2) parents. Dependency of a parent shall be established as of the date of the death of the member.

(5) Where the sole eligible survivor is a dependent brother or sister, the benefit shall be one hundred sixty five dollars ($165) per month. In order to qualify the brother or sister must have been a resident of the deceased member's household for at least one (1) full year prior to the member's death or must have been receiving care in a hospital, nursing home, or other institution at the member's expense for ***same*** [~~a like~~] period.

(6) The benefit to a child as defined in subsection (2) of this section shall terminate upon the attainment of age eighteen (18) or upon reaching age nineteen (19), if a full-time student in high school, or upon marriage, except that benefits shall continue until the attainment of age twenty-three (23) for an unmarried child who is a full-time student in a recognized educational program beyond the high school level. The benefit to a widow, widower, dependent parent, or dependent brother or sister or dependent child age eighteen (18) or older shall terminate upon marriage, or upon termination of the condition creating the dependency.

(7) The board of trustees shall be the sole judge of eligibility or dependency of any beneficiary, and may require formal application or information relating ***to eligibility or dependency*** [~~thereto~~], including proof of annual income satisfactory to the board. The board of trustees may subpoena records and individuals whenever it deems this action necessary.

(8) No ***payment*** [~~payments~~] of benefits shall be made unless the board of trustees ***authorizes*** [~~shall have authorized~~] the ***payment*** [~~payments~~]. The board shall ***promulgate*** [~~formulate and adopt necessary~~] administrative regulations for the administration of the [~~foregoing~~] provisions ***in this section*** and in every case the decision of the board of trustees shall be final as to eligibility, dependency, or disability, and the amount of benefits payable.

(9) In the event that there are no eligible survivors as defined in subsections (1) to (5) of this section, the board of trustees shall pay to the estate or assigns of the deceased member a refund of his accumulated

contributions as provided in KRS 161.470(7). If the benefits paid or payable under subsections (1) to (5) of this section and KRS 161.661 shall amount to a sum less than the member's accumulated contributions at the time of death, the board of trustees shall pay to the estate or assigns of the deceased member the balance of the accumulated contributions.

(10) Any person who is receiving benefits and becomes disqualified from receiving those benefits under this section shall immediately notify the Teachers' Retirement System of this disqualification in writing and shall return all benefits paid after the date of disqualification. Failure to comply with these provisions shall create an indebtedness of that person to the Teachers' Retirement System. Interest at the rate of eight percent (8%) per annum shall be charged if the debt is not repaid within sixty (60) days after the date of disqualification. Failure to repay this debt creates a lien in favor of the Teachers' Retirement System upon all property of the person who improperly receives benefits and does not repay those benefits.

Section 7. KRS 161.540 is amended to read as follows:

(1) Effective July 1, 1988, each member shall contribute to the retirement system nine and eight hundred fifty-five thousandths percent (9.855%) of annual compensation, except that university faculty members shall contribute eight and three hundred seventy-five thousandths percent (8.375%) of annual compensation. The contribution of members shall not exceed these applicable percentages on annual compensation. When a member retires, if it is determined that he has made contributions on a salary in excess of the amount to be included for the purpose of calculating his final average salary, any excess contribution shall be refunded to him in a lump sum at the time of the payment of his first retirement allowance. In the event a member is awarded a court-ordered back salary payment the employer shall deduct and remit the member contribution on the salary payment, plus interest to be paid by the employer, to the retirement system unless otherwise specified by the court order.

(2) Each public board, institution, or agency, as listed in KRS 161.220(4)(a) to ***(h)*** [~~(f)~~] shall, solely for the purpose of compliance with Section 414(h) of the United States Internal Revenue Code, pick up the employee contributions required by this section for all compensation earned after August 1, 1982, and the contributions so picked up shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code and KRS 141.010(10). [~~However, each public board, institution, or agency shall continue to withhold federal and state income taxes based upon these contributions and hold them in a separate account until the Internal Revenue Service or the federal courts rule that, pursuant to Section 414(h) of the United States Internal Revenue Code, these contributions shall not be included as gross income of the employee until such time as the contributions are distributed or made available to the employee.~~] The picked-up employee contribution shall satisfy all obligations to the retirement system satisfied prior to August 1, 1982, by the employee contribution, and the picked-up employee contribution shall be in lieu of an employee contribution. Each employer shall pay these picked-up employee contributions from the same source of funds which is used to pay earnings to the employee. The employee shall have no option to receive the contributed amounts directly instead of having them paid by the employer to the system. Employee contributions picked up after August 1, 1982, shall be treated for all purposes of KRS 161.220 to 161.714 in the same manner and to the same extent as employee contributions made prior to August 1, 1982.

Section 8. KRS 161.545 is amended to read as follows:

[~~(1)~~] Members may make contributions and receive service credit for substitute, part-time or any service other than regular full-time teaching as provided in the administrative regulations of the board of trustees. Members placed on leave of absence may make contributions and receive service credit for this leave as provided in administrative regulations ***promulgated*** [~~adopted~~] by the board of trustees. Contributions permitted after August 1, 1982, shall not be picked up pursuant to KRS 161.540(2).

[~~(2) A member who has been out of the teaching profession, but not on an official leave of absence, for the purpose of obtaining a master's degree, Rank 1, or a doctor's degree may purchase up to one (1) year of service credit in the Teachers' Retirement System. Any member who qualifies to purchase this service shall pay to the retirement system an amount equal to the contribution rate in effect on the salary the last year the member was employed prior to enrollment in a master's, Rank 1, or doctor's degree program with interest at the rate of eight percent (8%) compounded annually from the beginning of the school year next following enrollment in a master's, Rank 1, or doctor's degree program. This sum shall be deposited in the state accumulation fund. Credit purchased may not exceed the time the member is enrolled in a master's program, Rank 1 program, or doctoral program. Leave for this purpose shall be verified by a copy of the member's college transcript. This service credit must be purchased prior to July 1, 1991.~~]

Section 9. KRS 161.550 is amended to read as follows:

Beginning with July 1, each employer, except as provided under KRS 161.555, shall contribute annually to the retirement system a permanent amount equal to that contributed by its employees who are members of the retirement system plus an additional three and one-fourths percent (3.25%) of the total of salaries of its employees who are members of the retirement system to discharge the system's unfunded obligations with interest assumed by the state. Each employer shall remit the required employer contributions to the retirement system under the terms and conditions specified for member contributions under KRS 161.560. The state shall provide annual appropriations based upon estimated funds needed to meet the requirements of KRS 161.155; 161.507***(4)***[~~(3)~~]; 161.515; 161.545; 161.620(1), (3), (5), (6), ***and*** (7)***; Section 13 of this Act***[~~, and (8)~~]; and 161.712. In the event an annual appropriation is less than the amount of these requirements, the state shall make up the deficit in the next biennium budget appropriation to the retirement system. [~~The state shall appropriate funds to the retirement system in the 1992-94 budget to fund any deficit that may occur in the state's obligation to the retirement system during fiscal year 1989-90.~~] Employer contributions to the retirement system are for the exclusive purpose of providing benefits to members and annuitants and ***these*** [~~such~~] contributions shall be considered deferred compensation to the members.

Section 10. KRS 161.603 is amended to read as follows:

(1) Any member retired by reason of service may waive his annuity and return to regular employment in a position covered by the Teachers' Retirement System. The member shall receive no annuity payments while employed in a covered position, but shall continue to be covered by the system's hospital and medical insurance program and his estate shall continue to be eligible for death benefits as provided in KRS 161.655. Service subsequent to retirement shall not be used to improve an annuity, except as provided in subsections (2) and (3) of this section.

(2) Any member who waives regular annuity benefits and returns to teaching or covered employment shall be entitled to make contributions on the salaries received for this service and have their retirement annuity recalculated as provided in the regular retirement formula in KRS 161.620(1)[~~(a)~~] less any applicable actuarial discount applied to the original retirement allowance due to the election of a joint and last survivor option. Retirement option and beneficiary designation on original retirement shall not be altered by post-retirement employment nor shall dependents and spouses of the members become eligible for benefits under KRS 161.520, 161.525, and 161.661 because of post-retirement employment.

(3) When a member returns to full-time teaching or covered employment as provided in subsection (2) of this section, the employer is required to withhold and remit regular retirement contributions. The member must be employed full-time for at least one (1) consecutive contract year to be eligible to improve an annuity. The member will be returned to the annuity rolls on July 1 following completion of the contract year or on the first day of the month following the month of termination of service if full-time employment exceeds one (1) consecutive contract year. Any discounts applied at the time of the original retirement due to service may be reduced or eliminated due to additional employment if full-time employment is for one (1) contract consecutive year or longer.

Section 11. KRS 161.605 is amended to read as follows:

(1) Retired members may perform part-time or substitute teaching in the public schools for the equivalent of one hundred (100) days in any one (1) school year and receive compensation for this teaching without reduction in retirement annuities. The board of trustees by regulation may establish fractional equivalents of a day of teaching service.

(2) Retired members may be employed part-time in a nonteaching capacity in the public schools and receive compensation for this employment without reduction in retirement annuities, except that retired members may not be employed in excess of a one hundred (100) day period ***in any one (1) school year*** in the same position from which they retired, or a position substantially similar to the one from which they retired, or any position listed in KRS 161.220(4) which requires membership in the retirement system. ***Positions which generally require certification or graduation from a four (4) year college or university as a condition of employment which are changed or created to remove the position from coverage under KRS 161.220(4) are also subject to the one hundred (100) day limitation in this subsection.*** The board of trustees shall determine if employment in a nonteaching position qualifies for an exemption under this subsection.

(3) Calculation of the number of days for part-time teaching, substitute teaching, or part-time employment in a nonteaching capacity under subsections (1) and (2) of this section shall not exceed the ratio between a school year and the actual months of retirement for the member during that school year.

Section 12. KRS 161.620 is amended to read as follows:

(1) The retirement allowance, in the form of a life annuity with refundable balance, of a member retiring for service shall be calculated as follows:

(a) For retirements effective July 1, 1980, and thereafter, the annual allowance for each year of service performed prior to July 1, 1941, shall be one hundred dollars ($100) and the annual allowance for each year of service performed after July 1, 1941, shall be two percent (2%) of the final average salary. Actuarial discounts due to age or service credit at retirement may be applied as provided in this section;

(b) For retirements effective January 1, 1984, and thereafter, the annual allowance shall be determined as set out in subsection (1)(a) of this section, except that the allowance for service performed after January 1, 1984, shall be valued at the annual rate of two and one-half percent (2.5%) of the final average salary for all members not employed by a state university or college. For purposes of implementing the change in the value of a year of service, the board of trustees shall establish, by administrative regulation, the value of services performed during the 1983-84 fiscal year, but in no case shall the value of service performed during the 1983-84 fiscal year exceed two and one quarter percent (2.25%); and

(c) The retirement allowance of a member at retirement shall not exceed the member's last annual compensation or the member's final average salary, whichever is the greater amount.

(2) Effective July 1, 1990, and annually on July 1 thereafter, the retirement allowance of each retired member and of each beneficiary of a retirement option who has been retired at least ten (10) months shall be increased in the amount of one and one-half percent (1.5%).

(3) Any member qualifying for retirement under a life annuity with refundable balance shall be entitled to receive an annual allowance amounting to not less than two hundred ***forty*** [~~ten~~] dollars ***($240)*** [~~($210)~~] effective July 1, ***1992*** [~~1990, and two hundred twenty dollars ($220) effective July 1, 1991~~], multiplied by the service credit years of the member. These minimums shall apply to the retired members receiving annuity payments and to those members retiring on or subsequent to the effective dates listed in this subsection. [~~Eligibility for the benefits provided under this subsection shall be determined after applying any other cost-of-living adjustments provided by statute to the June, 1990 and June, 1991 annuity payment of the member.~~] The increases provided for in this subsection shall not be implemented unless funding is provided in the ***1992-94*** [~~1990-92~~] biennium budget appropriation.

(4) The minimum provided in this section shall apply in the case of members retired or retiring under an option other than a life annuity with refundable balance in the same proportion to the benefits of the member and his beneficiary or beneficiaries as provided in the duly adopted option tables at the time of the member's retirement.

(5) Effective July 1, ***1992*** [~~1990~~], the monthly allowance of each member retired on or before July 1, ***1991*** [~~1989~~], and each recipient of a retirement option of the retired member shall be increased in an amount not to exceed ***two percent (2%)*** [~~three and one-half percent (3.5%)~~] of the monthly allowance. The percentage increases shall be based on an assumed maximum allowance of one thousand two hundred fifty dollars ($1,250) per month of annuity in effect the previous month. The level of increase provided for in this subsection shall be determined by the funding provided in the ***1992-94*** [~~1990-92~~] biennium budget appropriation.

(6) Effective July 1, ***1993*** [~~1991~~], the monthly allowance of each member retired on or before July 1, ***1992*** [~~1990~~], and each recipient of a retirement option of the retired member shall be increased in an amount not to exceed ***two percent (2%)*** [~~three and one-half percent (3.5%)~~] of the monthly allowance. The percentage increases shall be based on an assumed maximum allowance of one thousand two hundred fifty dollars ($1,250) per month of annuity in effect the previous month. The level of increase provided for in this subsection shall be determined by the funding provided in the ***1992-94*** [~~1990-92~~] biennium budget appropriation.

(7) Effective July 1, 1990, monthly payments of two hundred dollars ($200) shall be payable for the benefit of an adult child of a member retired for service when the child's mental or physical condition is sufficient to cause dependency on the member at the time of retirement. Eligibility for this payment shall continue for the life of the child or until the time the mental or physical condition creating the dependency no longer exists or the child marries. The board of trustees shall be the sole judge of eligibility or dependency and may require formal application or information relating thereto.

(8) [~~The cost of providing the statutory cost-of-living increases for retired members during 1980-82, 1982-84, 1986-88, 1988-90, and 1990-92 and the 1988-90 and 1990-92 cost of implementing the increases provided under subsection (3) of this section shall be funded by annual appropriations from the state on an amortized basis over the lifetime of the recipients. When the earnings on investments of the retired teacher savings exceeds the actuarial assumed rate of interest, the board of trustees may allocate such excess earnings toward the funding of the amortized payments required during the 1990-92 biennium for the cost-of-living increases approved under subsections (5) and (6) of this section.~~

~~(9)~~] Members of the Teachers' Retirement System shall be subject to the annuity income limitations imposed by Section 415 of the Internal Revenue Service Code as enacted in 1988.

SECTION 13. A NEW SECTION OF KRS CHAPTER 161 IS CREATED TO READ AS FOLLOWS:

The cost of providing statutory benefit improvements for annuitants may be funded by annual appropriations from the state on an actuarial amortized basis over the lifetime of the annuitants. The schedules in subsections (1) and (2) of this section are the annual appropriations which shall be made by the state for benefit improvements approved in the respective fiscal years or bienniums prior to July 1, 1994:

(1) Cost of Living Allowance	***1994-1995***	***Each Succeeding Fiscal Year***
1982-1984	***$ 2,710,000***	***None***
1986-1988	***$ 9,857,000***	***$9,857,000 through 1997-1998 and $4,204,700 in 1998-1999***
1986-1988	***$ 5,936,800***	***$5,936,800 through 1998-1999***
1988-1990	***$ 7,642,600***	***$7,642,600 through 1999-2000 and $3,822,200 in 2000-2001***
1990-1992	***$14,258,100***	***$14,258,100 through 2001-2002 and $7,198,700 in 2002-2003***
1990-1992	***$ 2,969,600***	***$2,969,600 through 2002-2003***
1992-1993	***$ 2,362,000***	***$2,362,000 through 2003-2004***
1993-1994	***$ 2,508,000***	***$2,508,000 through 2004-2005***
(2) Minimum Value Annuities	***1994-1995***	***Each Succeeding Fiscal Year***
1986-1987	***$ 326,800***	***$326,800 through 1997-1998***
1987-1988	***$ 1,477,200***	***$1,477,200 through 1998-1999***
1988-1990	***$ 2,279,600***	***$2,279,600 through 1999-2000 and $1,144,800 in 2000-2001***
1990-1992	***$ 2,747,000***	***$2,747,000 through 2001-2002 and $1,468,200 in 2002-2003***
1992-1994	***$ 2,561,000***	***$2,561,000 through 2003-2004***

Section 14. KRS 161.655 is amended to read as follows:

(1) Upon the death of a member retired for service or disability, a death benefit of two thousand and ***eight*** [~~five~~] hundred dollars ***($2,800)*** [~~($2,500)~~] shall be paid to the member's estate or to a party designated by the member on a form prescribed by the retirement system. Upon the death of an active contributing member, a death benefit of two thousand dollars ($2,000) shall be paid to the member's estate or to a party designated by the member on a form prescribed by the retirement system. Application for the death benefit shall be made to the Teachers' Retirement System together with acceptable evidence of death and eligibility.

(2) Suit or civil action shall not be required for the collection of the death benefit provided herein, but nothing in this section shall prevent the maintenance of suit or civil action against the beneficiary or legal representative receiving the death benefit.

Section 15. KRS 161.661 is amended to read as follows:

(1) Any member who has completed five (5) or more years of accredited service in the public schools of Kentucky after July 1, 1941, may retire for disability and be granted a disability allowance if found to be eligible as provided ***in this section*** [~~below~~]. Application for disability benefits ***shall*** [~~must~~] be made within one (1) year of the last contributing service in Kentucky, and the disability must have occurred during the most recent period of employment in a position covered by the Teachers' Retirement System and subsequent to the completion of five (5) years of teaching service in Kentucky. A disability occurring during the regular vacation immediately following the last period of active service in Kentucky or during an official leave for

which the member is entitled to make regular contributions to the retirement system, shall be considered as having occurred during a period of active service. The annual disability allowance shall be equal to sixty percent (60%) of the member's final average salary, except that a member retiring for disability who is also eligible for service retirement may elect to have the benefit calculated on the service retirement formula and may choose any of the retirement options provided for service retirement.

(2) ***The*** [~~No member who has reached the age of sixty (60) years and who is otherwise qualified for retirement may retire by reason of disability, with the disability allowance of sixty percent (60%) of the member's final average salary as set out in subsection (1) of this section. A member who is sixty (60) years of age or older may retire for disability with the benefit calculated on the service retirement formula and the choice of retirement options as provided for service retirement.~~] provisions of KRS 161.520, 161.525, and subsections (3), (4), and (5) of this section shall not apply to disability retirees whose benefits were calculated on the service retirement formula nor to survivors of these members.

(3) Members shall earn one (1) year of entitlement to disability retirement, at sixty percent (60%) of the member's final average salary, for each four (4) years of service in a covered position, but any member meeting the service requirement for disability retirement shall be credited with no less than five (5) years of eligibility.

(4) A member retired by reason of disability shall continue to earn service credit at the rate of one (1) year for each year [~~so~~] retired ***for disability***. This service shall be credited to the member's account at the expiration of entitlement as defined in subsection (3) of this section, or when the member's eligibility for disability benefits is terminated upon recommendation of a medical review committee, and ***this service*** shall be used in calculating benefits as provided in subsection (5) of this section. The service credit shall be valued at the same level as service earned by active members.

(5) Any member retired by reason of disability and remaining disabled at the expiration of the ***entitlement*** [~~eligibility~~] period shall have his disability benefits recalculated using the service retirement formula with service credit as set out in subsection (4) of this section. The retirement allowance shall be calculated as set forth in KRS 161.620, except that those persons less than sixty (60) years of age shall be considered as sixty (60) ***years of age***.

(6) Members who have their disability retirement allowance recalculated at the expiration of the entitlement period shall continue to have coverage under the post-retirement medical insurance program. Restrictions on employment shall remain in effect until the member attains age seventy (70) or until the member's eligibility is discontinued. KRS 161.520 and 161.525 shall not apply to survivors of disability retirees whose retirement allowances have been recalculated at the expiration of the entitlement period. Members who have their disability retirement allowance recalculated at the expiration of their entitlement period shall be entitled to a minimum monthly allowance of ***five*** [~~three~~] hundred dollars ***($500)*** [~~($300)~~] as the basic straight life annuity. The minimum allowance shall be effective July 1, ***1992*** [~~1980~~], and shall apply to those members who have had their allowance recalculated prior to that date and to disability retirees who will have their benefit allowance recalculated on or after that date.

(7) ***Effective July 1, 1992, members retired for disability prior to July 1, 1964, shall be entitled to a minimum monthly allowance of five hundred dollars ($500) as their basic straight life annuity and their surviving spouse shall be eligible for survivor benefits as provided in KRS 161.520(1)(a) and (b).***

(8) Any member retired by reason of disability may voluntarily waive disability benefits and return to teaching or any member, who is age sixty (60) years or older, may elect to waive disability benefits and retire for service on the basis of service credited to the member on the effective date of the disability retirement.

(9)[~~(8)~~] In order to qualify for retirement by reason of disability a member must suffer from a physical or mental condition presumed to be permanent in duration and of a nature as to render him incapable of being gainfully employed as a teacher. The incapability must be revealed by a competent examination by a licensed physician or physicians and must be approved by a majority of a medical review committee.

(10)[~~(9)~~] A member retired by reason of disability shall be required to undergo periodic examinations at the discretion of the board of trustees to determine whether the disability allowance shall be continued. When examination and recommendation of a medical review committee indicate the disability no longer exists, the allowance shall be discontinued.

(11)[~~(10)~~] Eligibility for payment shall begin on the first day of the month following receipt of the application in the Teachers' Retirement System office, or the first of the month next following the last payment of salary or sick leave benefits by the employer, whichever is the later date.

(12)[~~(11)~~] No person who receives a disability allowance may serve as a teacher either within or without the state of Kentucky. So doing shall constitute a misdemeanor and shall result in loss of the allowance from the first date of this service. The recipient of a disability allowance who engages in any gainful occupation other than teaching must make a report of the duties involved, compensation received, and any other pertinent information required by the board of trustees. If the annual income from other employment plus the disability benefit exceed the sum of twenty thousand dollars ($20,000) or the last earned compensation, whichever is the greater amount, the benefit shall be reduced to an amount which with earned income will not exceed the last earned compensation or twenty thousand dollars ($20,000), whichever is the greater amount. In no case shall the benefit be reduced to less than seventy-five dollars ($75) per month, if the member has five (5) or more years of contributing service in the Teachers' Retirement System.

(13)[~~(12)~~] The board of trustees shall designate medical review committees, each consisting of three (3) licensed physicians. A medical review committee shall pass upon all applications for disability retirement and upon all statements, certifications, and examinations submitted in connection with disability applications. The disposition of each case shall be recommended by a medical review committee in writing to the board of trustees. Members of a medical review committee shall follow rules and regulations regarding procedures as the board of trustees may enact and shall be paid reasonable fees and expenses as authorized by the board of trustees in compliance with the provisions of KRS 161.330 and 161.340. The board of trustees may secure additional medical service and information as it deems necessary. The board of trustees shall promulgate regulations that specify member appeal procedures.

(14)[~~(13)~~] A disability may be presumed to be permanent if the condition creating the disability may be reasonably expected to continue for one (1) year or more from the date of application for disability benefits.

(15)[~~(14)~~] Any member who has voluntarily waived disability benefits or whose disability benefits have been discontinued on recommendation of a medical review committee, may apply for reinstatement of disability benefits. The application for reinstatement must be made to the retirement system within twelve (12) months of the date disability benefits terminated. If the termination of benefits were voluntary, the reinstatement may be made without medical examination if application is made within three ***(3)*** months of the termination date. Other applications for reinstatement will be processed in the same manner as new applications for benefits.

(16)[~~(15)~~] No person who is receiving disability benefits under this section may be employed in a position which qualifies the person for membership in a retirement system financed wholly or in part with public funds. Employment in a position prohibited by this subsection shall result in disqualification for those disability benefits from the date of employment in the prohibited position.

Section 16. KRS 161.675 is amended to read as follows:

(1) The board of trustees is empowered to enter into contracts with insurance carriers for the purpose of providing a broad program of hospital and medical insurance coverage to members retired for service or disability. Coverage may be extended to the spouses and minor children of [~~said~~] retired members, provided the member began participating in the Teachers' Retirement System prior to July 1, 1978. Coverage may also be extended to spouses and to minor children of members in active contributing status who are deceased prior to retirement if the surviving spouse is eligible to receive the member's retirement benefit as provided in KRS 161.525 and elects to ***receive those retirement benefits*** [~~do so~~]. The board of trustees may offer, on a cost basis, coverage of spouses not eligible for regular coverage.

(2) The coverage provided shall be as set forth in the contracts and the ***administrative*** regulations of the board of trustees. The board of trustees may change the levels of coverage to meet the changing needs of the annuitants and when necessary to contain the expenses of the insurance program within the funds available to finance the insurance program. The contracts and ***administrative*** regulations shall provide for, but not be limited to, hospital room and board, surgical procedures, doctors' care in the hospital, and miscellaneous hospital costs. A retiree whose effective date of retirement is July 1, 1974, and thereafter, must have a minimum of five (5) years creditable Kentucky service in the Teachers' Retirement System or of combined service in the Kentucky Employees Retirement System, of which at least two (2) years was creditable service under KRS 161.510 and 161.607(2), to qualify for ***the*** [~~such~~] coverage. The board of trustees shall offer coverage ***to*** [~~of~~] the disabled child of a retired member regardless of the disabled child's age if the retired member pays the entire premium for the disabled child's coverage. A child shall be considered disabled if he has been determined to be eligible for federal Social Security disability benefits.

(3) The board of trustees is empowered to require the annuitant and the annuitant's spouse to pay a premium charge to assist in the financing of the ***hospital and medical*** insurance program. [~~Such charges may be flat standard amounts or based upon the amount of the annuity allowance payments or a combination of these provisions.~~] The board of trustees is empowered to pay premiums for insurance coverage from the

[~~hospital and~~] medical insurance fund and from the premium charges received from the annuitants and the spouses. It may provide [~~such~~] insurance coverage as is deemed desirable by making payment to institutions and individuals for services performed, or the board of trustees may elect to provide [~~such~~] insurance protection on a "self-insurance" basis or a combination of these provisions.

(4) Contracts negotiated may include the provision that a stated amount of hospital cost or period of hospitalization shall incur no obligation on the part of the insurance carrier or the retirement system.

(5) The board of trustees is empowered to ***promulgate administrative*** [~~adopt such rules and~~] regulations [~~as are necessary~~] to assure efficient operation of the hospital and medical insurance program.

(6) Premiums paid for hospital and medical insurance coverage procured under authority of this section shall be exempt from any premium tax which might otherwise be required under KRS Chapter 136. The payment of premiums by the insurance fund shall not constitute taxable income to an insured recipient.

Section 17. KRS 161.714 is amended to read as follows:

It is hereby declared that in consideration of the contributions by members and in further consideration of benefits received by the state from the member's employment, KRS 161.220 through 161.710 shall constitute an inviolable contract of the Commonwealth, and the benefits provided herein shall not be subject to reduction or impairment by alteration, amendment, or ***repeal*** [~~appeal~~].

Section 18. The following KRS section is repealed:

161.705 Voluntary contributions by or for member.

Section 19. Whereas, retirement annuity adjustments are implemented at the beginning of the fiscal year, an emergency is declared to exist, and the provisions of this Act shall become effective July 1, 1992.

The Committee on Banking and Insurance reported **HB 185**, with Committee Substitute attached thereto, **HB 415**, **HB 576**, with Committee Substitute attached thereto, **HB 638** and **SB 113**, with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 185, AN ACT relating to motor vehicle insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 304.20 IS CREATED TO READ AS FOLLOWS:

The liability of an insurer for loss to a motor vehicle under a motor vehicle insurance policy issued or renewed on or after the effective date of this Act shall be based on the valuation rate determined by the property valuation administrator of the county in which the motor vehicle is registered as of January 1 of the year of issuance or renewal of the insurance.

The Committee Substitute to **HB 185** is as follows:

HB 185, AN ACT relating to motor vehicle insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF SUBTITLE 20 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, "book" means the National Automobile Dealers Association book, or valuations determined by CCC Information Services, Incorporated, or other recognized motor vehicle valuation service.

(2) The liability of an insurer for loss to a motor vehicle under a motor vehicle insurance policy issued or renewed on or after the effective date of this Act shall be based on the valuation as stated in the book.

(3) If a new motor vehicle is purchased and is not listed in the book, the value shall be the purchase price.

(4) If the motor vehicle has a value in excess of the standard value in the book because of options, type, or other reasons, the loss shall be the difference in the value of the motor vehicle immediately before the loss and the value immediately after the loss.

HB 415, AN ACT relating to motor vehicle installment sales contracts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 190.100 is amended to read as follows:

(1) (a) Every retail installment contract shall be in writing in at least eight (8) point type, shall contain all the agreements of the parties, shall be signed by the retail buyer, and a copy thereof shall be furnished to such retail buyer at the time of the execution of the contract;

(b) No provision of a retail installment contract which purports to provide for the inclusion of title to or a lien upon any goods other than the motor vehicle, accessories and special or auxiliary equipment used in connection therewith which either are the subject of the retail installment sale or are substitution in whole or in part therefor, as security for payment of such time sale price shall be valid or enforceable; but the other provisions of the retail installment contract shall not be affected thereby;

(c) No provisions for confession of judgment, power of attorney therefor, or wage assignment contained in any retail installment contract shall be valid or enforceable;

(d) If the finance charge applicable to a retail installment contract has been determined by a pre-computed method, the holder of a retail installment contract may collect a delinquency and collection charge on each installment in arrears for a period not less than ten (10) days in an amount not in excess of five percent (5%) of each installment or five dollars ($5), whichever is the less. In addition to such delinquency and collection charge, the retail installment contract may provide for the payment of attorneys' fees not exceeding fifteen percent (15%) of the amount due and payable under such contract where such contract is referred to an attorney not a salaried employee of the holder of the contract for collection, plus the court costs;

(e) Unless notice has been given to the retail buyer of actual or intended assignment of a retail installment contract, payment thereunder or tender thereof made by the retail buyer to the last known holder of such contract shall be binding upon all subsequent holders or assignees; and

(f) Upon written request from the retail buyer, the holder of the retail installment contract shall give or forward to the retail buyer a written statement of the total amount unpaid under such contract. A retail buyer shall be given a written receipt for any payment when made in cash.

(2) The retail installment contract shall contain the following:

(a) The cash sale price of the motor vehicle which is the subject matter of the retail installment sale;

(b) The amount of the retail buyer's down payment, whether made in money or goods, or partly in money or partly in goods;

(c) The difference between paragraphs (a) and (b) of this subsection;

(d) 1. Amount, if any, included for insurance and other benefits; and

2. Types of coverage and benefits;

(e) Official fees as defined in KRS 190.090; and

(f) Principal balance, which is the sum of paragraphs (c), (d), and (e) of this subsection.

(3) The retail installment contract shall contain a definite statement in twelve (12) point bold type or larger, that the insurance, if any included in the retail installment sale provides or does not provide coverage for personal liability and property damage caused to others, as the case may be.

(4) The amount, if any, included for insurance, shall not exceed the premiums chargeable in accordance with applicable rate filings made with the commissioner of insurance. Every retail seller or sales finance company, if insurance on the motor vehicle is included in a retail installment contract shall within thirty (30) days after execution of the retail installment contract send or cause to be sent to the retail buyer a policy or policies or certificate of insurance, which insurance shall be written by a company authorized to

do business in this state, clearly setting forth the amount of the premium, the kind or kinds of insurance and the scope of the coverage and all the terms, exceptions, limitations, restrictions and conditions of the contract or contracts of the insurance. The buyer of a motor vehicle under a retail installment contract shall have the privilege of purchasing such insurance from an agent or broker of his own selection and of selecting an insurance company acceptable to the seller; provided, however, that the inclusion of the insurance premium in the retail installment contract when the buyer selects the agent, broker or company, shall be optional with the seller. If any such policy is canceled, the unearned insurance premium refund received by the holder of the contract shall be credited to the final maturing installments of the retail installment contract. ***For purposes of this subsection, single interest insurance insuring the retail seller or sales finance company shall not be considered insurance on the motor vehicle. Neither a copy of the policy, nor a certificate of insurance of this type of insurance shall be sent to the retail buyer.***

(5) Any sales finance company hereunder may purchase or acquire from any retail seller any retail installment contract on such terms and conditions as may be agreed upon between them. No filing of the assignment, no notice to the retail buyer of the assignment, and no requirement that the retail seller shall be deprived of dominion over the payments thereunder or the goods covered thereby if repossessed by the retail seller shall be necessary to the validity of a written assignment of a retail installment contract as against creditors, subsequent purchasers, pledgees, mortgagees and lien claimants of the retail seller.

(6) An acknowledgment in the body of the retail installment contract by the retail buyer of the delivery of a copy thereof shall be conclusive proof of delivery in any action or proceeding by or against any assignee of a retail installment contract.

HB 576, AN ACT relating to insurance holding company systems.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF SUBTITLE 37 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) Any domestic insurer, either by itself or in cooperation with one (1) or more persons, may organize or acquire one (1) or more subsidiaries engaged in the following kinds of business:

(a) Any kind of insurance business authorized by the jurisdiction in which it is incorporated;

(b) Acting as an insurance agent for its parent or any of its parent's insurer subsidiaries;

(c) Investing, reinvesting, or trading in securities for its own account, that of its parent, any subsidiary of its parent, or any affiliate or subsidiary;

(d) Management of any investment company subject to or registered pursuant to the Investment Company Act of 1940, as amended, including related sales and services;

(e) Acting as a broker-dealer subject to or registered pursuant to the Securities Exchange Act of 1934, as amended;

(f) Rendering investment advice to governments, government agencies, corporations, or other organizations or groups;

(g) Rendering other services related to the operations of an insurance business, such as actuarial, loss prevention, safety engineering, data processing, accounting, claims, appraisal, and collection services;

(h) Ownership and management of assets which the parent corporation may own or manage if the aggregate investment by the insurer and its subsidiaries acquired or organized pursuant to this paragraph shall not exceed the limitations applicable to these investments by the insurer;

(i) Acting as an administrative agent for a governmental instrumentality which is performing an insurance function;

(j) Financing of insurance premiums, agents, and other forms of consumer financing;

(k) Any other business activity determined by the commissioner to be reasonably ancillary to an insurance business; and

(l) Owning a corporation or corporations engaged or organized to engage exclusively in one (1) or more businesses specified in this section.

(2) In addition to investments in common stock, preferred stock, debt obligations, and other securities permitted under this chapter, a domestic insurer may also:

(a) Invest, in common stock, preferred stock, debt obligations, and other securities of one (1) or more subsidiaries, amounts which do not exceed the lesser of ten percent (10%) of the insurer's assets or fifty percent (50%) of the insurer's surplus as regards policyholders, if after these investments, the insurer's surplus as regards policyholders will be reasonable in relation to the insurer's outstanding liabilities and adequate to meet its financial needs. In calculating the amount of these investments, investments in domestic or foreign insurance subsidiaries shall be excluded, and there shall be included:

1. Total net moneys or other consideration expended and obligations assumed in the acquisition or formation of a subsidiary, including all organizational expenses and contributions to capital and surplus of the subsidiary whether or not represented by the purchase of capital stock or issuance of other securities; and

2. All amounts expended in acquiring additional common stock, preferred stock, debt obligations, and other securities and all contributions to the capital or surplus, of a subsidiary subsequent to its acquisition or formation;

(b) Invest any amount in common stock, preferred stock, debt obligations, and other securities of one (1) or more subsidiaries engaged or organized to engage exclusively in the ownership and management of assets authorized as investments for the insurer, if each subsidiary agrees to limit its investments in any asset so that the investments will not cause the amount of the total investment of the insurer to exceed any of the investment limitations specified in paragraph (a) of this subsection or in KRS Chapter 304.7. For the purpose of this paragraph, "the total investment of the insurer" shall exclude:

1. Any direct investment by the insurer in an asset; and

2. The insurer's proportionate share of any investment in an asset by any subsidiary of the insurer, which shall be calculated by multiplying the amount of the subsidiary's investment by the percentage of the ownership of the subsidiary;

(c) With the approval of the commissioner, invest any greater amount in common stock, preferred stock, debt obligations, or other securities of one (1) or more subsidiaries, if after the investment the insurer's surplus as regards policyholders will be reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs.

(3) Investments in common stock, preferred stock, debt obligations, or other securities of subsidiaries made pursuant to subsection (2) of this section shall not be subject to any of the otherwise applicable restrictions or prohibitions contained in this chapter applicable to the investments of insurers.

(4) Whether any investment pursuant to subsection (2) of this section meets the requirements shall be determined before the investment is made, by calculating the applicable investment limitations as though the investment had already been made, taking into account the then outstanding principal balance on all previous investments in debt obligations, and the value of all previous investments in equity securities as of the day they were made, net of any return of capital invested, not including dividends.

(5) If an insurer ceases to control a subsidiary, it shall dispose of any investment made pursuant to this section within three (3) years of the time of the cessation of control, or within an extension of time as the commissioner may prescribe, unless at any time after the investment has been made, the investment has met the requirements for investment under any other provision of this chapter, and the insurer has notified the commissioner.

SECTION 2. A NEW SECTION OF SUBTITLE 37 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) No person other than the issuer shall make a tender offer for, a request or invitation for tenders of, enter into any agreement to exchange securities, seek to acquire, or acquire in the open market or otherwise, any voting security of a domestic insurer if, after the consummation, the person would, directly or indirectly, or by conversion, or by exercise of any right to acquire, be in control of the insurer. No person shall enter into an agreement to merge with or to acquire control of a domestic insurer or any person controlling a domestic insurer unless, at the time of the offer, request, or invitation is made, or any agreement is entered into, or prior to the acquisition of these securities if no offer or agreement is involved, the person has filed with the commissioner and has sent to the insurer, a statement containing the information required by this section and the offer, request, invitation, agreement, or acquisition has been approved by the commissioner in the manner prescribed in this section.

(a) For purposes of this section a domestic insurer shall include any person controlling a domestic insurer unless the person as determined by the commissioner is either directly or through its affiliates primarily engaged in business other than the business of insurance. However, the person shall file a preacquisition notification with the commissioner containing the information required in Section 3(3)(a) of this Act thirty (30) days prior to the proposed effective date of the acquisition. The person who fails to file a preacquisition notification shall be subject to the penalty set out in Section 8 of this Act. For the purposes of this section, "person" shall not include any securities broker holding, in the usual and customary brokers function, less than twenty percent (20%) of the voting securities of an insurance company or of any person which controls an insurance company.

(2) The statement to be filed with the commissioner under this section shall be made under oath or affirmation and shall contain the following information:

(a) The name and address of each person by whom or on whose behalf the merger or other acquisition of control referred to in subsection (1) of this section is to be effected; and

1. If the person is an individual, his principal occupation and all offices and positions held during the past five (5) years, and any conviction of crimes other than minor traffic violations during the past ten (10) years; or

2. If the person is not an individual, a report of the nature of its business operations during the past five (5) years or for a lesser period that the person and any predecessors have been in existence, an informative description of the business intended to be done by the person and the person's subsidiaries, and a list of all individuals who are or who have been selected to become directors or executive officers of the person, or who perform or will perform functions appropriate to these functions. The list shall include for each individual the information required by subparagraph 1. of this paragraph.

(b) The source, nature, and amount of the consideration used or to be used in effecting the merger or other acquisition of control, a description of any transaction in which funds were or are to be obtained for merger or other acquisition of control, including any pledge of the insurer's stock, or the stock of any of its subsidiaries or controlling affiliates, and the identity of persons furnishing the consideration; but if a source of the consideration is a loan made in the lender's ordinary course of business, the identity of the lender shall remain confidential, if the person filing the statement so requests.

(c) Fully audited financial information as to the earnings and financial condition of each acquiring party for the preceding five (5) fiscal years of each acquiring party, or for a lesser period that the acquiring party and any predecessors have been in existence, and similar unaudited information as of a date not earlier than ninety (90) days prior to the filing of the statement.

(d) Any plans or proposals which each acquiring party may have to liquidate the insurer, to sell its assets, or merge or consolidate it with any person, or to make any other material change in its business or corporate structure or management.

(e) The number of shares of any security referred to in subsection (1) of this section which the acquiring party proposes to acquire, and the terms of the offer, request, invitation, agreement, or acquisition referred to in subsection (1) of this section, and a statement as to the method used to determine the fairness of the proposal.

(f) The amount of each class of any security referred to in subsection (1) of this section which is beneficially owned, or concerning any security referred to in subsection (1) of this section which there is a right to acquire beneficial ownership of by each acquiring party.

(g) A full description of any contracts, arrangements, or understandings with respect to any security referred to in subsection (1) of this section in which any acquiring party is involved, such as transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. The description shall identify the persons with whom these contracts, arrangements, or understandings have been entered into.

(h) A description of the purchase of any security referred to in subsection (1) of this section during the twelve (12) calendar months preceding the filing of the statement by any acquiring party, including the dates of purchase, names of the purchasers, and consideration paid or agreed to be paid.

(i) A description of any recommendations to purchase any security referred to in subsection (1) of this section made during the twelve (12) calendar months preceding the filing of the statement, by any acquiring party, or by anyone based upon interviews or at the suggestion of the acquiring party.

(j) Copies of all tender offers for requests, or invitations for tenders of, exchange offers for, and agreements to acquire or exchange any securities referred to in subsection (1) of this section, and of additional soliciting material distributed which relates.

(k) The term of any agreement, contract, or understanding made with, or proposed to be made with any broker-dealer, as to solicitation of securities referred to in subsection (1) of this section for tender, and the amount of any fees, commissions, or other compensation to be paid to broker-dealers with regard to subsection (1) of this section.

(l) Any additional information as the commissioner may by regulation prescribe as necessary or appropriate for the protection of policyholders of the insurer or in the public interest.

(m) If the person required to file the statement referred to in subsection (1) of this section is a partnership, limited partnership, syndicate, or other group, the commissioner may require that the information called for by paragraphs (a) to (l) of this subsection shall be given with respect to each partner of the partnership or limited partnership, each member of the syndicate or other group, and each person who controls the partner or member. If any partner, member, or person is a corporation, or the person required to file the statement referred to in subsection (1) of this section is a corporation, the commissioner may require that the information called for by paragraphs (a) to (l) of this subsection shall be given with respect to the corporation, each officer and director of the corporation, and each person who is directly or indirectly the beneficial owner of more than ten percent (10%) of the outstanding voting securities of the corporation.

(n) If any material change occurs in the facts in the statement filed with the commissioner and sent to the insurer pursuant to this section, an amendment stating the change, with copies of all documents and other materials relevant to the change, shall be filed with the commissioner and sent to the insurer within two (2) business days after the person learns of the change.

(3) If any offer, request, invitation, agreement, or acquisition referred to in subsection (1) of this section is proposed to be made by means of a registration statement under the Securities Act of 1933, or in circumstances requiring the disclosure of similar information under the Securities Exchange Act of 1934, or under a state law requiring similar registration or disclosure, the person required to file the statement referred to in subsection (1) of this section may utilize those documents in furnishing the information required by the statement referred to in subsection (1) of this section.

(4) (a) The commissioner shall approve any merger or other acquisition of control referred to in subsection (1) of this section unless, after a public hearing he finds that:

1. After the change of control, the domestic insurer referred to in subsection (1) of this section would not be able to satisfy the requirements for issuance of a certificate of authority to write the line or lines of insurance for which it is presently authorized;

2. The effect of the merger or other acquisition of control would be substantially to lessen competition in insurance in Kentucky or tend to create a monopoly. In applying the competitive standard in this paragraph:

a. The informational requirements of Section 3(3)(a) of this Act and the standards of Section 3(4)(b) of this Act shall apply;

b. The merger or other acquisition shall not be disapproved if the commissioner finds that any of the situations meeting the criteria provided by Section 3(4)(c) of this Act exist; and

c. The commissioner may condition the approval of the merger or other acquisition on the removal of the basis of disapproval within a specified period of time;

3. The financial condition of the acquiring party might jeopardize the financial stability of the insurer or prejudice the interest of its policyholders;

4. The plans or proposals which the acquiring party has to liquidate the insurer, sell its assets, consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management are unfair and unreasonable to policyholders of the insurer and not in the public interest;

5. The competence, experience, and integrity of persons who would control the operation of the insurer would not be in the interest of policyholders of the insurer and of the public to permit the merger or other acquisition of control; or

6. The acquisition is likely to be hazardous or prejudicial to the insurance buying public.

(b) The public hearing required by this section shall be conducted as directed in KRS Chapter 304.2.

(c) The commissioner may retain at the acquiring person's expense any attorneys, actuaries, accountants, and other experts not otherwise a part of the commissioner's staff that may be necessary to assist the commissioner in reviewing the proposed acquisition of control.

(5) The provisions of this section shall not apply to:

(a) Any transaction which is subject to the provisions of KRS 304.24-390, dealing with the merger or consolidation of a domestic insurer; or

(b) Any offer, request, invitation, agreement, or acquisition which the commissioner, by order, shall exempt from the section as not having been made or entered into for the purpose of and not having the effect of changing or influencing the control of, a domestic insurer, or not comprehended within the purposes of this section.

(6) The following shall be violations of this section:

(a) The failure to file any statement, amendment, or other material required to be filed pursuant to subsection (1) or (2) of this section; or

(b) The effectuation or any attempt to effectuate an acquisition of control of, or merger with, a domestic insurer unless the commissioner has given his approval.

(7) The courts of this state shall have jurisdiction over every person not resident, domiciled, or authorized to do business in this state who files a statement with the commissioner under this section, and overall actions involving such person arising out of violations of this section. Each person shall be deemed to have performed acts equivalent to and constituting an appointment by the person of the Secretary of State to be his true and lawful attorney upon whom may be served all lawful process in any action, suit, or proceeding arising out of the violations of this section. Copies of all lawful process shall be served on the Secretary of State and transmitted to the person at his last known address by the Secretary of State in the same manner as service of process on foreign insurers.

SECTION 3. A NEW SECTION OF SUBTITLE 37 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) The following definitions shall apply for the purposes of this section only:

(a) "Acquisition" means any agreement, arrangement, or activity the consummation of which results in a person acquiring directly or indirectly the control of another person, such as the acquisition of voting securities, the acquisition of assets, bulk reinsurance, and mergers.

(b) An "involved insurer" includes an insurer which either acquires or is acquired, is affiliated with an acquirer or acquired, or is the result of a merger.

(2) (a) This section applies to any acquisition in which there is a change of control of an insurer authorized to do business in Kentucky, except as set forth in paragraph (b) of this subsection.

(b) This section shall not apply to the following:

1. An acquisition subject to approval or disapproval of the commissioner pursuant to Section 2 of this Act;

2. A purchase of securities solely for the investment purposes so long as the securities are not used by voting or otherwise to cause or attempt to cause the substantial lessening of competition in any insurance market in Kentucky. If a purchase of securities results in a presumption of control under KRS 304.37-010(8), it is not solely for investment purposes unless the insurance regulatory official of the insurer's state of domicile accepts a disclaimer of control, or affirmatively finds that control does not exist, and the disclaimer action or affirmative finding is communicated by the domiciliary insurance regulatory official to the commissioners;

3. If the acquisition of a person by another person when both persons are neither directly nor through affiliates primarily engaged in the business of insurance, if preacquisition notification is filed with the commissioner in accordance with subsection (3)(a) of this section thirty (30) days prior to the proposed effective date of the acquisition. However, the acquisition notification shall not be required for exclusion *from this section if the acquisition would otherwise be excluded from this section by any other subparagraph of this paragraph;*

4. The acquisition of already affiliated persons;

5. An acquisition if, as an immediate result of the acquisition:

a. The combined market share of the involved insurers would not exceed five percent (5%) of the total market;

b. There would be no increase in any market share; or

c. The combined market share of the involved insurers would not exceed twelve percent (12%) of the total market; and the market share would not increase by more than two percent (2%) of the total market.

For the purpose of this subparagraph (b)5., a market means direct written insurance premium in Kentucky for a line of business as contained in the annual statement required to be filed by insurers authorized to do business in Kentucky;

6. An acquisition for which a preacquisition notification would be required pursuant to this section due solely to the resulting effect on the ocean marine insurance line of business; and

7. An acquisition of an insurer whose domiciliary insurance regulatory official affirmatively finds that the insurer is in failing condition, there is lack of feasible alternative to improving the condition, the public benefits of improving the insurer's condition through the acquisition exceed the public benefits that would arise from not lessening competition, and the findings are communicated by the domiciliary insurance regulatory official to the commissioner.

(3) An acquisition covered by subsection (2) of this section may be subject to an order pursuant to subsection (5) of this section or Section 7 of this Act unless the acquiring person files a preacquisition notification and the waiting period has expired. The acquired person may file a preacquisition notification. The commissioner shall give confidential treatment to information submitted under this subsection in the same manner as provided in KRS 304.37-050.

(a) The preacquisition notification shall be in the form and contain the information prescribed by the National Association of Insurance Commissioners relating to those markets which, under subsection (2)(b)5. of this section, cause the acquisition not to be exempted from the provisions of this section. The commissioner may require additional material and information he deems necessary to determine whether the proposed acquisition, if consummated, would violate the competitive standard of subsection (4) of this section. The required information may include an opinion of an economist as to the competitive impact of the acquisition in Kentucky accompanied by a summary of the education and experience of the economist indicating his ability to render an informed opinion.

(b) The waiting period required shall begin on the date of receipt by the commissioner of a preacquisition notification and shall end on the earlier of the thirtieth day after the date of receipt, or termination of the waiting period by the commissioner. Prior to the end of the waiting period, the commissioner may, on a one-time basis, require the submission of a additional needed information relevant to the proposed acquisition; if the submission is required, the waiting period shall end on the earlier of the thirtieth day after receipt of the additional information by the commissioner or termination of the waiting period by the commissioner.

(4) (a) The commissioner may enter an order under subsection (5)(a) of this section with respect to an acquisition if there is substantial evidence that the effect of the acquisition may be to lessen substantially competition in any line of insurance in Kentucky or tend to create a monopoly, or if the insurer fails to file adequate information in compliance with subsection (3) of this section.

(b) In determining whether a proposed acquisition would violate the competitive standard of paragraph (a) of this subsection, the commissioner shall consider the following:

1. Any acquisition covered under subsection (2) of this section involving two (2) or more insurers competing in the same market is prima facie evidence of violation of the competitive standards:

a. If the market is highly concentrated and the involved insurers possess the following shares of the market:

Insurer A	*Insurer B*
4%	*4% or more*
10%	*2% or more*
15%	*1% or more;*

or

b. If the market is not highly concentrated and the involved insurers possess the following shares of the market:

Insurer A	*Insurer B*
5%	*5% or more*
10%	*4% or more*
15%	*3% or more*
19%	*1% or more.*

A highly concentrated market means one in which the share of the four (4) largest insurers is seventy-five percent (75%) or more of the market. Percentages not shown in the tables are interpolated proportionately to the percentages that are shown. If more than two (2) insurers are involved, exceeding the total of the two (2) columns in the table is prima facie evidence of violation of the competitive standard in paragraph (a) of this subsection. For the purpose of this subparagraph, the insurer with the largest share of the market shall be deemed to be insurer A.

2. There is a significant trend toward increased concentration when the aggregate market share of any grouping of the largest insurers in the market, from the two (2) largest to the eight (8) largest, has increased by seven percent (7%) or more of the market over a period of time extending from any base year five (5) to ten (10) years prior to the acquisition up to the time of the acquisition. Any acquisition or merger covered under subsection (2) of this section involving two (2) or more insurers competing in the same market is prima facie evidence of violation of the competitive standard in paragraph (a) of this subsection if:

a. There is a significant trend toward increased concentration in the market;

b. One of the insurers involved is one of the insurers in a grouping of the large insurers showing the requisite increase in the market share; and

c. Another involved insurer's market is two percent (2%) or more.

3. For the purposes of subsection (4)(b) of this section:

a. The term "insurer" includes any company or group of companies under common management, ownership or control;

b. The term "market" means the relevant product and geographical markets. In determining the relevant product and geographical markets, the commissioner shall give due consideration to factors such as the definitions or guidelines, if any, promulgated by the National Association of Insurance Commissioners and to information, if any, submitted by parties to the acquisition. In the absence of sufficient information to the contrary, the relevant product market is assumed to be the direct written insurance premium for a line of business, the line being that used in the annual statement required to be filed by insurers doing business in Kentucky, and the relevant geographical market is assumed to be Kentucky; and

c. The burden of showing prima facie evidence of violation of the competitive standard rests upon the commissioner.

4. Even though an acquisition is not prima facie violative of the competitive standard under paragraph (b) of this subsection, the commissioner may establish the requisite anticompetitive effect based upon other substantial evidence. Even though an acquisition is prima facie violative of the competitive standard under paragraph (b) of this subsection, a party may establish the absence of the requisite anticompetitive effect

based upon other substantial evidence. Relevant factors in making this determination shall be such factors as market shares, volatility of ranking of market leaders, number of competitors, concentration, trend of concentration in the industry, and ease of entry into and exit form the market.

(c) An order shall not be entered under subsection (5)(a) of this section if:

1. The acquisition will yield substantial economies of scale or economies in resource utilization that cannot be feasibly achieved in any other way, and the public benefits which would arise from the economies exceed the public benefits which would arise from not lessening competition; or

2. The acquisition will substantially increase the availability of insurance, and the public benefits of the increase exceed the public benefits which would arise from not lessening competition.

(5) (a) If an acquisition violates the standards of this section, the commissioner may enter an order:

1. Requiring an involved insurer to cease and desist from doing business in Kentucky with respect to the line or lines of insurance involved in the violation; or

2. Denying the application of an acquired or acquiring insurer for a certificate of authority to do business in Kentucky.

(b) The order referred to in paragraph (a) of this subsection shall be entered pursuant to a hearing held under KRS Chapter 304.2.

Section 4. KRS 304.37-020 is amended to read as follows:

(1) Every insurer which is authorized to do business in this state and which is a member of an insurance holding company system shall register with the commissioner, except a foreign or alien insurer subject to disclosure requirements and standards adopted by statute or regulation in the jurisdiction of its domicile which are substantially similar to those contained in this section. For an alien insurer, the domiciliary state shall be deemed to be its state of entry. Any insurer which is subject to registration under this section shall register within sixty ***(60)*** days after June 16, 1972, or fifteen ***(15)*** days after it becomes subject to registration, whichever is later, unless the commissioner for good cause shown extends the time for registration, and then within ***the*** [~~such~~] extended time. The commissioner may require any authorized insurer which is a member of a holding company system which is not subject to registration under this section to furnish a copy of the registration statement or other information filed by ***the*** [~~such~~] insurer with the insurance regulatory authority of its domiciliary jurisdiction.

(2) Every insurer subject to registration shall file a registration statement on a form provided by the commissioner, which shall contain current information about:

(a) The capital structure, general financial condition, ownership and management of the insurer and any person controlling the insurer;

(b) The identity of every member of the insurance holding company system;

(c) The following agreements in force, relationships subsisting, and transactions currently outstanding between such insurer and its affiliates:

1. Loans to, other investments in, or purchases, sales, or exchanges of securities of the affiliates by the insurer or of the insurer by its affiliates;

2. Purchases, sales, or exchanges of assets;

3. Transactions not in the ordinary course of business;

4. Guarantees or undertakings for the benefit of an affiliate which result in an actual contingent exposure of the insurer's assets to liability, other than insurance contracts entered in the ordinary course of the insurer's business;

5. All management and service contracts and all cost-sharing arrangements, other than cost allocation arrangements based upon generally accepted accounting principles; [~~and~~]

6. Reinsurance agreements covering all or substantially all of one ***(1)*** or more lines of insurance of the ceding company;

7. Dividend and other distributions to shareholders; and

8. Consolidated tax allocation agreements;

(d) Any pledge of the insurer's stock, including stock of any subsidiary or controlling affiliate for a loan made to any member of the insurance holding company system; and

(e)[~~(d)~~] Other matters concerning transactions between registered insurers and any affiliates as may be included from time to time in any registration forms adopted or approved by the commissioner.

(3) ***It shall not be necessary to disclose*** [~~No~~] information [~~need be disclosed~~] on the registration statement filed pursuant to subsection (2) of this section if ***the*** [~~such~~] information is not material for the purposes of this section. Unless the commissioner by ***administrative*** [~~rule,~~] regulation or order provides otherwise, sales, purchases, exchanges, loans, or extensions of credit, or investments, involving one-half of one percent ***(.05%)*** or less of an insurer's admitted assets as of the 31st day of December next preceding shall not be deemed material for purposes of this section.

(4) Each registered insurer shall keep current the information required to be disclosed in its registration statement by reporting all material changes or additions on amendment forms provided by the commissioner within thirty days ***(30)*** after the end of the month in which it learns of each [~~such~~] change or addition.

(5) ***All registration statements shall contain a summary outlining all items in the current registration statement representing changes from the prior registration statement.***

(6) Subject to KRS 304.37-030(5), each registered insurer shall report to the commissioner all dividends and other distributions to shareholders within fifteen (15) business days following the dividend or distribution declaration.

(7) Any person within an insurance holding company system subject to registration shall be required to provide complete and accurate information to an insurer, if the information is reasonably necessary to enable the insurer to comply with the provisions of this subtitle.

(8) The commissioner shall terminate the registration of any insurer which demonstrates that it no longer is a member of an insurance holding company system.

(9)[~~(6)~~] The commissioner may require or allow two ***(2)*** or more affiliated insurers subject to registration [~~hereunder~~] to file a consolidated registration statement or consolidated reports amending their consolidated registration statement or their individual registration statements.

(10)[~~(7)~~] The commissioner may allow an insurer which is authorized to do business in this state and which is part of an insurance holding company system to register on behalf of any affiliated insurer which is required to register under subsection (1) and to file all information and material required to be filed under this section.

(11)[~~(8)~~] The provisions of this section shall not apply to any insurer, information, or transaction if and to the extent that the commissioner by ***administrative*** [~~rule,~~] regulation[~~,~~] or order shall exempt ***it*** [~~the same~~] from the provisions of this section.

(12)[~~(9)~~] Any person may file with the commissioner a disclaimer of affiliation with any authorized insurer or [~~such~~] a disclaimer may be filed by ***the*** [~~such~~] insurer or any member of an insurance holding company system. The disclaimer shall fully disclose all material relationships and bases for affiliation between ***the*** [~~such~~] persons and ***the*** [~~such~~] insurer as well as the basis for disclaiming ***the*** [~~such~~] affiliation. After a disclaimer has been filed, the insurer shall be relieved of any duty to register or report under this section which may arise out of the insurer's relationship with ***the*** [~~such~~] person unless and until the commissioner disallows ***the*** [~~such a~~] disclaimer. The commissioner shall disallow ***the*** [~~such a~~] disclaimer only after furnishing all parties in interest with notice and opportunity to be heard and after making specific findings of fact to support ***the*** [~~such~~] disallowance.

(13)[~~(10)~~] The failure to file a registration statement or any amendment thereto required by this section within the time specified for ***the*** [~~such~~] filing shall be a violation of this subtitle.

Section 5. KRS 304.37-030 is amended to read as follows:

(1) Material transactions by registered insurers with their affiliates shall be subject to the following standards:

(a) The terms shall be fair and reasonable;

(b) ***Charges or fees for services performed shall be reasonable;***

(c) Expenses incurred and payment received shall be allocated to the insurer in conformity with consistently applied accounting practices;

(d) The books, accounts, and records of each party shall be [~~so~~] maintained [~~as~~] to clearly and accurately disclose the precise nature and details of the transactions; and

(e)[~~(c)~~] The insurer's surplus as regards policyholders, following any dividends or distributions to shareholder affiliates, shall be reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs.

(2) (a) ***The following transactions involving a domestic insurer and any person in its holding company system shall not be entered into unless the insurer has notified the commissioner in writing of its intention to enter into the transaction at least thirty (30) days prior to the transaction, or a shorter period as the commissioner may permit, and the commissioner has not disapproved it within that time:***

1. Sales, purchases, exchanges, loans or extensions of credit, guarantees, or investments, if the transactions are equal to or exceed, with respect to non-life insurers, the lesser of three percent (3%) of the insurer's admitted assets or twenty-five percent (25%) of surplus as regards policyholders, or with respect to life insurers, three percent (3%) of the insurer's admitted assets, each as of December 31 next preceding.

2. Loans or extensions of credit to any person who is not an affiliate, if the insurer makes the loans or extensions of credit with the agreement or understanding that the proceeds of the transactions, in whole or in substantial part, are to be used to make loans or extensions of credit to, to purchase assets of, or to make investments in, any affiliate of the insurer making the loans or extensions of credit if the transactions are equal to or exceed, with respect to non-life insurers, the lesser of three percent (3%) of the insurer's admitted assets or twenty-five percent (25%) of surplus as regards policyholders, or, with respect to life insurers, three percent (3%) of the insurer's admitted assets, each as of December 31 next preceding.

3. Reinsurance agreements or modifications in which the reinsurance premium or a change in the insurer's liabilities equals or exceeds five percent (5%) of the insurer's surplus as regards policyholders, as of December 31 next preceding, including those agreements which may require as consideration the transfer of assets from an insurer to a nonaffiliate, if an agreement or understanding exists between the insurer and nonaffiliate that any portion of the assets will be transferred to one (1) or more affiliates of the insurer;

4. All management agreements, service contracts, and all cost sharing arrangements; and

5. Any material transactions, specified by regulation, which the commissioner determines may adversely affect the interests of the insurer's policyholders.

(b) This subsection shall not authorize or permit any transactions which, in the case of an insurer not a member of the same holding company system, would be otherwise contrary to law.

(c) A domestic insurer shall not enter into transactions which are part of a plan or series of like transactions with persons within the holding company system if the purpose of those separate transactions is to avoid the statutory threshold amount and thus avoid the review that would otherwise occur. If the commissioner determines that the separate transactions were entered into over any twelve (12) month period for avoidance purposes, he may exercise his authority under Section 8 of this Act.

(d) The commissioner, in reviewing transactions pursuant to this subsection, shall consider whether the transactions comply with the standards set forth in subsection (1) of this section and whether they may adversely affect the interests of policyholders.

(e) The commissioner shall be notified within thirty (30) days of any investment of the domestic insurer in any one (1) corporation if the total investment in the corporation by the insurance holding company exceeds ten percent (10%) of the corporation's voting securities.

(3) (a) Notwithstanding the control of a domestic insurer by any person, the officers and directors of the insurer shall not be relieved of any obligation or liability to which they would otherwise be subject by law, and the insurer shall be managed so as to assure its separate operating identity consistent with this chapter.

(b) Nothing in this section precludes a domestic insurer from having or sharing a common management or cooperative or joint use of personnel, property, or services with one (1) or more other persons under arrangements which meet the standards of subsection (1) of this section.

(4) (a) For the purposes of this subtitle, in determining whether an insurer's surplus as regards policyholders is reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs, an insurer's surplus shall be deemed reasonable and adequate if its surplus as regards policyholders is at least two hundred percent (200%) of the amounts required under KRS Chapter 304 for the kinds of insurance the insurer is authorized to transact.

(b) Except as set forth in paragraph (a) of this subsection, the following factors, among others, shall be considered in determining whether an insurer's surplus as regards policyholders is reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs:

1. The size of the insurer as measured by its assets, capital and surplus, reserves, premium writings, insurance in force, and other appropriate criteria;

2. The extent to which the insurer's business is diversified among the several lines of insurance;

3. The number and size of risks insured in each line of business;

4. The extent of the geographical dispersion of the insurer's insured risks;

5. The nature and extent of the insurer's reinsurance program;

6. The quality, diversification, and liquidity of the insurer's investment portfolio;

7. The recent past and projected future trend in the size of the insurer's surplus as regards policyholders;

8. The surplus as regards policyholders maintained by other comparable insurers;

9. The adequacy of the insurer's reserves; and

10. The quality and liquidity of investments in subsidiaries. The commissioner may treat any [~~such~~] investment as a disallowed asset for purposes of determining the adequacy of surplus as regards policyholders ***if*** [~~whenever~~] in his judgment ***the*** [~~such~~] investment [~~so~~] warrants.

(5)[~~(3)~~] No insurer subject to registration under KRS 304.37-020 shall pay any extraordinary dividend or make any other extraordinary distribution to its stockholders until thirty (30) days after the commissioner has received notice of the declaration thereof and has not within ***the*** [~~such~~] period disapproved ***the*** [~~such~~] payment, or the commissioner shall have approved ***the*** [~~such~~] payment within ***the*** [~~such~~] thirty (30) day period. For purposes of this section, an extraordinary dividend or distribution is any dividend or distribution which, together with other dividends or distribution made within the preceding twelve (12) months, exceeds the ***lessor*** [~~greater~~] of (a) ten percent (10%) of ***the*** [~~such~~] insurer's surplus as regards policyholders as of [~~the thirty-first day of~~] December ***31*** next preceding, or (b) the net gain from operations of ***the*** [~~such~~] insurer company, if ***the*** [~~such~~] insurer is a life insurer, or the net [~~investment~~] income, if ***the*** [~~such~~] insurer is not a life insurer, for the twelve (12) month period ending [~~the thirty-first day of~~] December ***31*** next preceding, but shall not include pro rata distribution of any class of the insurer's own securities. Notwithstanding any other provision of law, an insurer may declare an extraordinary dividend or distribution which is conditional upon the commissioner's approval thereof, and ***the*** [~~such a~~] declaration shall confer no rights upon stockholders until the commissioner has approved the payment of ***the*** [~~such~~] dividend or distribution or until the commissioner has not disapproved ***the*** [~~such~~] payment within the thirty (30) day period referred to in this section.

SECTION 6. A NEW SECTION OF SUBTITLE 37 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) If an order for liquidation or rehabilitation of a domestic insurer has been entered, the receiver appointed under the order shall have the right to recover on behalf of the insurer, from any parent corporation or holding company or person or affiliate who otherwise controlled the insurer, the amount of distributions, other than distribution of shares of the same class of stock paid by the insurer on its capital stock, or any payment in the form of a bonus, termination settlement, or extraordinary lump sum salary adjustment made by the insurer, or its subsidiary, or subsidiaries to a director, officer, or employee if the distribution or payment is made at any time during one (1) year preceding the petition for liquidation, conservation, or rehabilitation, as the case may be, subject to the limitations of subsections (2), (3), and (4) of this section.

(2) No distribution shall be recoverable if the parent or affiliate shows that when paid, the distribution was lawful and reasonable, and that the insurer did not know and could not reasonably have known that the distribution might adversely affect the ability of the insurer to fulfill its contractual obligations.

(3) Any person who was a parent corporation or holding company or a person who otherwise controlled the insurer or affiliate at the time the distributions were paid shall be liable up to the amount of distributions or payment under subsection (1) of this section received by that person. Any person who otherwise controlled the insurer at the time the distributions were declared shall be liable up to the amount of distributions he would have received if they had been paid immediately. If two (2) or more persons are liable with respect to the same distributions, they shall be jointly and severally liable.

(4) The maximum amount recoverable under this section shall be the amount needed in excess of all other available assets of the impaired or insolvent insurer to pay the contractual obligations of the impaired or insolvent insurer and to reimburse any guaranty fund.

(5) To the extent that any person liable under subsection (3) of this section is insolvent or otherwise fails to pay claims due from it, its parent corporation, holding company, or person who otherwise controlled it at the time the distribution was paid shall be jointly and severally liable for any resulting deficiency in the amount recovered from the parent corporation, holding company, or person who otherwise controlled it.

Section 7. KRS 304.37-010 is amended to read as follows:

As used in this subtitle, the following terms shall have the respective meanings [~~hereinafter~~] set forth, unless the context shall otherwise require:

(1) The term "commissioner" shall mean the Commissioner of Insurance or the Department of Insurance, as appropriate.

(2) "Insurer" includes every person engaged as principal and as indemnitor, surety, or contractor in the business of entering into contracts of insurance.

(3) An "insurance holding company system" consists of two ***(2)*** or more affiliated persons, one ***(1)*** or more of which is an insurer.

(4) An "affiliate" [~~of~~], or person "affiliated" with a specific person, is a person that directly, or indirectly through one ***(1)*** or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

(5) A "person" is an individual, a corporation, a partnership, an association, a joint stock company, an unincorporated organization, any similar entity or any combination of the foregoing acting in concert, but shall not include any bank in its fiduciary capacity or securities broker performing no more than the usual and customary broker's function.

(6) A "subsidiary" of a specified person is an affiliate controlled by ***the*** [~~such~~] person directly or indirectly through one ***(1)*** or more intermediaries.

(7) The term "voting security" shall include any security convertible into or evidencing a right to acquire a voting security.

(8) The ***terms*** [~~term~~] "control***,***" [~~(including the terms~~] "controlling," "controlled by" and "under common control with"[~~)~~] ***mean*** [~~means~~] the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a loan contract or commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing ***fifteen*** [~~15~~] percent ***(15%)*** or more of the voting securities of any other person. This presumption may be rebutted by a showing made in the manner provided by KRS 304.37-020***(12)***[~~(9)~~] that control does not exist in fact. The commissioner may determine, after forwarding all persons in interest notice and opportunity to be heard and making specific findings of fact to support ***the*** [~~such~~] determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

SECTION 8. A NEW SECTION OF SUBTITLE 99 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) Any person who violates a cease and desist order of the commissioner under Section 3(5) of this Act may, after notice and hearing and upon order of the commissioner, be subject at the discretion of the commissioner to a civil penalty of not more than ten thousand dollars ($10,000) for every day of violation, suspension, or revocation of the person's license or certificate of authority, or both.

(2) Any insurer or other person who fails to make any filing required by Section 2 of this Act and who also fails to demonstrate a good faith effort to comply with any filing requirement shall be subject to a civil penalty of not more than ten thousand dollars ($10,000).

SECTION 9. A NEW SECTION OF SUBTITLE 99 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) Any insurer failing, without just cause, to file any registration statement as required by KRS Chapter 304, Subtitle 37, shall be required, after notice and hearing, to pay a civil penalty of ten thousand dollars ($10,000) foe each day's delay to the commissioner. The maximum civil penalty under this section shall be one hundred thousand dollars ($100,000). The commissioner may reduce the civil penalty if the insurer demonstrates to the commissioner that the imposition of the penalty would constitute a financial hardship to the insurer.

(2) Every director or officer of an insurance holding company system who knowingly violates, participates in, assents to, or who knowingly permits any of the officers or agents of the insurer to engage in transactions or make investments which have not been properly reported or submitted pursuant to KRS 304.37-020(1), 304.37-030(2), or 304.37-030(5), or which violate KRS Chapter 304, Subtitle 37, shall pay, in their individual capacities, a civil penalty of not more than five thousand dollars ($5,000) per violation, after notice and hearing before the commissioner. In determining the amount of the civil penalty, the commissioner shall take into account the appropriateness of the civil penalty with respect to the gravity of the violation, the history of previous violations, and other matters justice may require.

(3) If it appears that any insurer subject to KRS Chapter 304, Subtitle 37, or any director, officer, employee, or agent has engaged in any transaction or entered into any contract which is subject to KRS 304.37-030 and which would not have been approved had approval been requested, the commissioner may order the insurer to cease and desist immediately any further activity under that transaction or contract. After notice and hearing, the commissioner may also order the insurer to void the contracts and restore the status quo if the action is in the best interest of the policyholders, creditors, or the public.

(4) If it appears that any insurer or any director, officer, employee, or agent has committed a willful violation of KRS Chapter 304, Subtitle 37, the commissioner may cause criminal proceedings to be instituted in the Circuit Court for the county in which the principal office of the insurer is located, or if the insurer has no office in Kentucky, in the Franklin Circuit Court against the insurer or the responsible director, officer, employee, or agent. Any insurer which willfully violates KRS Chapter 304, Subtitle 37, may be fined not more than one hundred thousand dollars ($100,000) or three (3) times the gain from the violation, whichever is greater, but no less than one thousand dollars ($1,000). Any individual who willfully violates KRS Chapter 304, Subtitle 37, may be fined in his individual capacity not less than one thousand dollars ($1,000), be imprisoned for not less than one (1) or more than three (3) years, or both.

(5) Any officer, director, or employee of an insurance holding company system who willfully and knowingly subscribes to or makes or causes to be made any false statements or false reports or false filings with the intent to deceive the commissioner in the performance of his duties under KRS Chapter 304, Subtitle 37, upon conviction, shall be imprisoned for not less than one (1) year or more than five (5) years, or fined ten thousand dollars ($10,000), or both. Any fines imposed shall be paid by the officer, director, or employee in his individual capacity.

The Committee Substitute to **HB 576** is as follows:

HB 576, AN ACT relating to insurance holding company systems.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF SUBTITLE 37 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) Any domestic insurer, either by itself or in cooperation with one (1) or more persons, may organize or acquire one (1) or more subsidiaries engaged in the following kinds of business:

(a) Any kind of insurance business authorized by the jurisdiction in which it is incorporated;

(b) Acting as an insurance agent for its parent or any of its parent's insurer subsidiaries;

(c) Investing, reinvesting, or trading in securities for its own account, that of its parent, any subsidiary of its parent, or any affiliate or subsidiary;

(d) Management of any investment company subject to or registered pursuant to the Investment Company Act of 1940, as amended, including related sales and services;

(e) Acting as a broker-dealer subject to or registered pursuant to the Securities Exchange Act of 1934, as amended;

(f) Rendering investment advice to governments, government agencies, corporations, or other organizations or groups;

(g) Rendering other services related to the operations of an insurance business, such as actuarial, loss prevention, safety engineering, data processing, accounting, claims, appraisal, and collection services;

(h) Ownership and management of assets which the parent corporation may own or manage if the aggregate investment by the insurer and its subsidiaries acquired or organized pursuant to this paragraph shall not exceed the limitations applicable to these investments by the insurer. This paragraph shall not prohibit investments permitted under KRS 304.7-120;

(i) Acting as an administrative agent for a governmental instrumentality which is performing an insurance function;

(j) Financing of insurance premiums, agents, and other forms of consumer financing;

(k) Any other business activity determined by the commissioner to be reasonably ancillary to an insurance business; and

(l) Owning a corporation or corporations engaged or organized to engage exclusively in one (1) or more businesses specified in this section.

(2) In addition to investments in common stock, preferred stock, debt obligations, and other securities permitted under this chapter, a domestic insurer may also:

(a) Invest, in common stock, preferred stock, debt obligations, and other securities of one (1) or more subsidiaries, amounts which do not exceed the lesser of ten percent (10%) of the insurer's assets or fifty percent (50%) of the insurer's surplus as regards policyholders, if after these investments, the insurer's surplus as regards policyholders will be reasonable in relation to the insurer's outstanding liabilities and adequate to meet its financial needs. In calculating the amount of these investments, investments in domestic or foreign insurance subsidiaries shall be excluded, and there shall be included:

1. Total net moneys or other consideration expended and obligations assumed in the acquisition or formation of a subsidiary, including all organizational expenses and contributions to capital and surplus of the subsidiary whether or not represented by the purchase of capital stock or issuance of other securities; and

2. All amounts expended in acquiring additional common stock, preferred stock, debt obligations, and other securities and all contributions to the capital or surplus, of a subsidiary subsequent to its acquisition or formation;

(b) Invest any amount in common stock, preferred stock, debt obligations, and other securities of one (1) or more subsidiaries engaged or organized to engage exclusively in the ownership and management of assets authorized as investments for the insurer, if each subsidiary agrees to limit its investments in any asset so that the investments will not cause the amount of the total investment of the insurer to exceed any of the investment limitations specified in paragraph (a) of this subsection or in KRS Chapter 304.7. For the purpose of this paragraph, "the total investment of the insurer" shall exclude:

1. Any direct investment by the insurer in an asset; and

2. The insurer's proportionate share of any investment in an asset by any subsidiary of the insurer, which shall be calculated by multiplying the amount of the subsidiary's investment by the percentage of the ownership of the subsidiary;

(c) With the approval of the commissioner, invest any greater amount in common stock, preferred stock, debt obligations, or other securities of one (1) or more subsidiaries, if after the investment the insurer's surplus as regards policyholders will be reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs.

(3) Investments in common stock, preferred stock, debt obligations, or other securities of subsidiaries made pursuant to subsection (2) of this section shall not be subject to any of the otherwise applicable restrictions or prohibitions contained in this chapter applicable to the investments of insurers.

(4) Whether any investment pursuant to subsection (2) of this section meets the requirements shall be determined before the investment is made, by calculating the applicable investment limitations as though the investment had already been made, taking into account the then outstanding principal balance on all previous investments in debt obligations, and the value of all previous investments in equity securities as of the day they were made, net of any return of capital invested, not including dividends.

(5) If an insurer ceases to control a subsidiary, it shall dispose of any investment made pursuant to this section within three (3) years of the time of the cessation of control, or within an extension of time as the commissioner may prescribe, unless at any time after the investment has been made, the investment has met the requirements for investment under any other provision of this chapter, and the insurer has notified the commissioner.

SECTION 2. A NEW SECTION OF SUBTITLE 37 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) No person other than the issuer shall make a tender offer for, a request or invitation for tenders of, enter into any agreement to exchange securities, seek to acquire, or acquire in the open market or otherwise, any voting security of a domestic insurer if, after the consummation, the person would, directly or indirectly, or by conversion, or by exercise of any right to acquire, be in control of the insurer. No person shall enter into an agreement to merge with or to acquire control of a domestic insurer or any person controlling a domestic insurer unless, at the time of the offer, request, or invitation is made, or any agreement is entered into, or prior to the acquisition of these securities if no offer or agreement is involved, the person has filed with the commissioner and has sent to the insurer, a statement containing the information required by this section and the offer, request, invitation, agreement, or acquisition has been approved by the commissioner in the manner prescribed in this section.

(a) For purposes of this section a domestic insurer shall include any person controlling a domestic insurer unless the person as determined by the commissioner is either directly or through its affiliates primarily engaged in business other than the business of insurance. However, the person shall file a preacquisition notification with the commissioner containing the information required in Section 3(3)(a) of this Act thirty (30) days prior to the proposed effective date of the acquisition. The person who fails to file a preacquisition notification shall be subject to the penalty set out in Section 8 of this Act. For the purposes of this section, ''person'' shall not include any securities broker holding, in the usual and customary brokers function, less than twenty percent (20%) of the voting securities of an insurance company or of any person which controls an insurance company.

(2) The statement to be filed with the commissioner under this section shall be made under oath or affirmation and shall contain the following information:

(a) The name and address of each person by whom or on whose behalf the merger or other acquisition of control referred to in subsection (1) of this section is to be effected; and

1. If the person is an individual, his principal occupation and all offices and positions held during the past five (5) years, and any conviction of crimes other than minor traffic violations during the past ten (10) years; or

2. If the person is not an individual, a report of the nature of its business operations during the past five (5) years or for a lesser period that the person and any predecessors have been in existence, an informative description of the business intended to be done by the person and the person's subsidiaries, and a list of all individuals who are or who have been selected to become directors or executive officers of the person, or who perform or will perform functions appropriate to these functions. The list shall include for each individual the information required by subparagraph 1. of this paragraph.

(b) The source, nature, and amount of the consideration used or to be used in effecting the merger or other acquisition of control, a description of any transaction in which funds were or are to be obtained for merger or other acquisition of control, including any pledge of the insurer's stock, or the stock of any

of its subsidiaries or controlling affiliates, and the identity of persons furnishing the consideration; but if a source of the consideration is a loan made in the lender's ordinary course of business, the identity of the lender shall remain confidential, if the person filing the statement so requests.

(c) Fully audited financial information as to the earnings and financial condition of each acquiring party for the preceding five (5) fiscal years of each acquiring party, or for a lesser period that the acquiring party and any predecessors have been in existence, and similar unaudited information as of a date not earlier than ninety (90) days prior to the filing of the statement.

(d) Any plans or proposals which each acquiring party may have to liquidate the insurer, to sell its assets, or merge or consolidate it with any person, or to make any other material change in its business or corporate structure or management.

(e) The number of shares of any security referred to in subsection (1) of this section which the acquiring party proposes to acquire, and the terms of the offer, request, invitation, agreement, or acquisition referred to in subsection (1) of this section, and a statement as to the method used to determine the fairness of the proposal.

(f) The amount of each class of any security referred to in subsection (1) of this section which is beneficially owned, or concerning any security referred to in subsection (1) of this section which there is a right to acquire beneficial ownership of by each acquiring party.

(g) A full description of any contracts, arrangements, or understandings with respect to any security referred to in subsection (1) of this section in which any acquiring party is involved, such as transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. The description shall identify the persons with whom these contracts, arrangements, or understandings have been entered into.

(h) A description of the purchase of any security referred to in subsection (1) of this section during the twelve (12) calendar months preceding the filing of the statement by any acquiring party, including the dates of purchase, names of the purchasers, and consideration paid or agreed to be paid.

(i) A description of any recommendations to purchase any security referred to in subsection (1) of this section made during the twelve (12) calendar months preceding the filing of the statement, by any acquiring party, or by anyone based upon interviews or at the suggestion of the acquiring party.

(j) Copies of all tender offers for requests, or invitations for tenders of, exchange offers for, and agreements to acquire or exchange any securities referred to in subsection (1) of this section, and of additional soliciting material distributed which relates.

(k) The term of any agreement, contract, or understanding made with, or proposed to be made with any broker-dealer, as to solicitation of securities referred to in subsection (1) of this section for tender, and the amount of any fees, commissions, or other compensation to be paid to broker-dealers with regard to subsection (1) of this section.

(l) Any additional information as the commissioner may by regulation prescribe as necessary or appropriate for the protection of policyholders of the insurer or in the public interest.

(m) If the person required to file the statement referred to in subsection (1) of this section is a partnership, limited partnership, syndicate, or other group, the commissioner may require that the information called for by paragraphs (a) to (l) of this subsection shall be given with respect to each partner of the partnership or limited partnership, each member of the syndicate or other group, and each person who controls the partner or member. If any partner, member, or person is a corporation, or the person required to file the statement referred to in subsection (1) of this section is a corporation, the commissioner may require that the information called for by paragraphs (a) to (l) of this subsection shall be given with respect to the corporation, each officer and director of the corporation, and each person who is directly or indirectly the beneficial owner of more than ten percent (10%) of the outstanding voting securities of the corporation.

(n) If any material change occurs in the facts in the statement filed with the commissioner and sent to the insurer pursuant to this section, an amendment stating the change, with copies of all documents and other materials relevant to the change, shall be filed with the commissioner and sent to the insurer within two (2) business days after the person learns of the change.

(3) If any offer, request, invitation, agreement, or acquisition referred to in subsection (1) of this section is proposed to be made by means of a registration statement under the Securities Act of 1933, or in circumstances requiring the disclosure of similar information under the Securities Exchange Act of 1934, or under a state law requiring similar registration or disclosure, the person required to file the statement referred to in subsection (1) of this section may utilize those documents in furnishing the information required by the statement referred to in subsection (1) of this section.

(4) (a) The commissioner shall approve any merger or other acquisition of control referred to in subsection (1) of this section unless, after a public hearing he finds that:

1. After the change of control, the domestic insurer referred to in subsection (1) of this section would not be able to satisfy the requirements for issuance of a certificate of authority to write the line or lines of insurance for which it is presently authorized;

2. The effect of the merger or other acquisition of control would be substantially to lessen competition in insurance in Kentucky or tend to create a monopoly. In applying the competitive standard in this paragraph:

a. The informational requirements of Section 3(3)(a) of this Act and the standards of Section 3(4)(b) of this Act shall apply;

b. The merger or other acquisition shall not be disapproved if the commissioner finds that any of the situations meeting the criteria provided by Section 3(4)(c) of this Act exist; and

c. The commissioner may condition the approval of the merger or other acquisition on the removal of the basis of disapproval within a specified period of time;

3. The financial condition of the acquiring party might jeopardize the financial stability of the insurer or prejudice the interest of its policyholders;

4. The plans or proposals which the acquiring party has to liquidate the insurer, sell its assets, consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management are unfair and unreasonable to policyholders of the insurer and not in the public interest;

5. The competence, experience, and integrity of persons who would control the operation of the insurer would not be in the interest of policyholders of the insurer and of the public to permit the merger or other acquisition of control; or

6. The acquisition is likely to be hazardous or prejudicial to the insurance buying public.

(b) The public hearing required by this section shall be conducted as directed in KRS Chapter 304.2.

(c) The commissioner may retain at the acquiring person's expense any attorneys, actuaries, accountants, and other experts not otherwise a part of the commissioner's staff that may be necessary to assist the commissioner in reviewing the proposed acquisition of control.

(5) The provisions of this section shall not apply to:

(a) Any transaction which is subject to the provisions of KRS 304.24-390, dealing with the merger or consolidation of a domestic insurer; or

(b) Any offer, request, invitation, agreement, or acquisition which the commissioner, by order, shall exempt from the section as not having been made or entered into for the purpose of and not having the effect of changing or influencing the control of, a domestic insurer, or not comprehended within the purposes of this section.

(6) The following shall be violations of this section:

(a) The failure to file any statement, amendment, or other material required to be filed pursuant to subsection (1) or (2) of this section; or

(b) The effectuation or any attempt to effectuate an acquisition of control of, or merger with, a domestic insurer unless the commissioner has given his approval.

(7) The courts of this state shall have jurisdiction over every person not resident, domiciled, or authorized to do business in this state who files a statement with the commissioner under this section, and overall

actions involving such person arising out of violations of this section. Each person shall be deemed to have performed acts equivalent to and constituting an appointment by the person of the Secretary of State to be his true and lawful attorney upon whom may be served all lawful process in any action, suit, or proceeding arising out of the violations of this section. Copies of all lawful process shall be served on the Secretary of State and transmitted to the person at his last known address by the Secretary of State in the same manner as service of process on foreign insurers.

SECTION 3. A NEW SECTION OF SUBTITLE 37 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) The following definitions shall apply for the purposes of this section only:

(a) "Acquisition" means any agreement, arrangement, or activity the consummation of which results in a person acquiring directly or indirectly the control of another person, such as the acquisition of voting securities, the acquisition of assets, bulk reinsurance, and mergers.

(b) An "involved insurer" includes an insurer which either acquires or is acquired, is affiliated with an acquirer or acquired, or is the result of a merger.

(2) (a) This section applies to any acquisition in which there is a change of control of an insurer authorized to do business in Kentucky, except as set forth in paragraph (b) of this subsection.

(b) This section shall not apply to the following:

1. An acquisition subject to approval or disapproval of the commissioner pursuant to Section 2 of this Act;

2. A purchase of securities solely for the investment purposes so long as the securities are not used by voting or otherwise to cause or attempt to cause the substantial lessening of competition in any insurance market in Kentucky. If a purchase of securities results in a presumption of control under KRS 304.37-010(8), it is not solely for investment purposes unless the insurance regulatory official of the insurer's state of domicile accepts a disclaimer of control, or affirmatively finds that control does not exist, and the disclaimer action or affirmative finding is communicated by the domiciliary insurance regulatory official to the commissioners;

3. If the acquisition of a person by another person when both persons are neither directly nor through affiliates primarily engaged in the business of insurance, if preacquisition notification is filed with the commissioner in accordance with subsection (3)(a) of this section thirty (30) days prior to the proposed effective date of the acquisition. However, the acquisition notification shall not be required for exclusion from this section if the acquisition would otherwise be excluded from this section by any other subparagraph of this paragraph;

4. The acquisition of already affiliated persons;

5. An acquisition if, as an immediate result of the acquisition:

a. The combined market share of the involved insurers would not exceed five percent (5%) of the total market;

b. There would be no increase in any market share; or

c. The combined market share of the involved insurers would not exceed twelve percent (12%) of the total market; and the market share would not increase by more than two percent (2%) of the total market.

For the purpose of this subparagraph (b)5., a market means direct written insurance premium in Kentucky for a line of business as contained in the annual statement required to be filed by insurers authorized to do business in Kentucky;

6. An acquisition for which a preacquisition notification would be required pursuant to this section due solely to the resulting effect on the ocean marine insurance line of business; and

7. An acquisition of an insurer whose domiciliary insurance regulatory official affirmatively finds that the insurer is in failing condition, there is lack of feasible alternative to improving the condition, the public benefits of improving the insurer's condition through the acquisition exceed the public benefits that would arise from not lessening competition, and the findings are communicated by the domiciliary insurance regulatory official to the commissioner.

(3) An acquisition covered by subsection (2) of this section may be subject to an order pursuant to subsection (5) of this section or Section 7 of this Act unless the acquiring person files a preacquisition notification and the waiting period has expired. The acquired person may file a preacquisition notification. The commissioner shall give confidential treatment to information submitted under this subsection in the same manner as provided in KRS 304.37-050.

(a) The preacquisition notification shall be in the form and contain the information prescribed by the National Association of Insurance Commissioners relating to those markets which, under subsection (2)(b)5. of this section, cause the acquisition not to be exempted from the provisions of this section. The commissioner may require additional material and information he deems necessary to determine whether the proposed acquisition, if consummated, would violate the competitive standard of subsection (4) of this section. The required information may include an opinion of an economist as to the competitive impact of the acquisition in Kentucky accompanied by a summary of the education and experience of the economist indicating his ability to render an informed opinion.

(b) The waiting period required shall begin on the date of receipt by the commissioner of a preacquisition notification and shall end on the earlier of the thirtieth day after the date of receipt, or termination of the waiting period by the commissioner. Prior to the end of the waiting period, the commissioner may, on a one-time basis, require the submission of a additional needed information relevant to the proposed acquisition; if the submission is required, the waiting period shall end on the earlier of the thirtieth day after receipt of the additional information by the commissioner or termination of the waiting period by the commissioner.

(4) (a) The commissioner may enter an order under subsection (5)(a) of this section with respect to an acquisition if there is substantial evidence that the effect of the acquisition may be to lessen substantially competition in any line of insurance in Kentucky or tend to create a monopoly, or if the insurer fails to file adequate information in compliance with subsection (3) of this section.

(b) In determining whether a proposed acquisition would violate the competitive standard of paragraph (a) of this subsection, the commissioner shall consider the following:

1. Any acquisition covered under subsection (2) of this section involving two (2) or more insurers competing in the same market is prima facie evidence of violation of the competitive standards:

a. If the market is highly concentrated and the involved insurers possess the following shares of the market:

Insurer A	*Insurer B*
4%	*4% or more*
10%	*2% or more*
15%	*1% or more;*

or

b. If the market is not highly concentrated and the involved insurers possess the following shares of the market:

Insurer A	*Insurer B*
5%	*5% or more*
10%	*4% or more*
15%	*3% or more*
19%	*1% or more.*

A highly concentrated market means one in which the share of the four (4) largest insurers is seventy-five percent (75%) or more of the market. Percentages not shown in the tables are interpolated proportionately to the percentages that are shown. If more than two (2) insurers are involved, exceeding the total of the two (2) columns in the table is prima facie evidence of violation of the competitive standard in paragraph (a) of this subsection. For the purpose of this subparagraph, the insurer with the largest share of the market shall be deemed to be insurer A.

2. There is a significant trend toward increased concentration when the aggregate market share of any grouping of the largest insurers in the market, from the two (2) largest to the eight (8) largest, has increased by seven percent (7%) or more of the market over a period of time extending from any base year five (5) to ten (10) years prior to the acquisition up to the time of the acquisition. Any acquisition or merger covered under subsection (2) of this section involving two (2) or more insurers competing in the same market is prima facie evidence of violation of the competitive standard in paragraph (a) of this subsection if:

a. There is a significant trend toward increased concentration in the market;

b. One of the insurers involved is one of the insurers in a grouping of the large insurers showing the requisite increase in the market share; and

c. Another involved insurer's market is two percent (2%) or more.

3. For the purposes of subsection (4)(b) of this section:

a. The term "insurer" includes any company or group of companies under common management, ownership or control;

b. The term "market" means the relevant product and geographical markets. In determining the relevant product and geographical markets, the commissioner shall give due consideration to factors such as the definitions or guidelines, if any, promulgated by the National Association of Insurance Commissioners and to information, if any, submitted by parties to the acquisition. In the absence of sufficient information to the contrary, the relevant product market is assumed to be the direct written insurance premium for a line of business, the line being that used in the annual statement required to be filed by insurers doing business in Kentucky, and the relevant geographical market is assumed to be Kentucky; and

c. The burden of showing prima facie evidence of violation of the competitive standard rests upon the commissioner.

4. Even though an acquisition is not prima facie violative of the competitive standard under paragraph (b) of this subsection, the commissioner may establish the requisite anticompetitive effect based upon other substantial evidence. Even though an acquisition is prima facie violative of the competitive standard under paragraph (b) of this subsection, a party may establish the absence of the requisite anticompetitive effect based upon other substantial evidence. Relevant factors in making this determination shall be such factors as market shares, volatility of ranking of market leaders, number of competitors, concentration, trend of concentration in the industry, and ease of entry into and exit form the market.

(c) An order shall not be entered under subsection (5)(a) of this section if:

1. The acquisition will yield substantial economies of scale or economies in resource utilization that cannot be feasibly achieved in any other way, and the public benefits which would arise from the economies exceed the public benefits which would arise from not lessening competition; or

2. The acquisition will substantially increase the availability of insurance, and the public benefits of the increase exceed the public benefits which would arise from not lessening competition.

(5) (a) If an acquisition violates the standards of this section, the commissioner may enter an order:

1. Requiring an involved insurer to cease and desist from doing business in Kentucky with respect to the line or lines of insurance involved in the violation; or

2. Denying the application of an acquired or acquiring insurer for a certificate of authority to do business in Kentucky.

(b) The order referred to in paragraph (a) of this subsection shall be entered pursuant to a hearing held under KRS Chapter 304.2.

Section 4. KRS 304.37-020 is amended to read as follows:

(1) Every insurer which is authorized to do business in this state and which is a member of an insurance holding company system shall register with the commissioner, except a foreign or alien insurer subject to disclosure requirements and standards adopted by statute or regulation in the jurisdiction of its domicile which are substantially similar to those contained in this section. For an alien insurer, the domiciliary state

shall be deemed to be its state of entry. Any insurer which is subject to registration under this section shall register within sixty ***(60)*** days after June 16, 1972, or fifteen ***(15)*** days after it becomes subject to registration, whichever is later, unless the commissioner for good cause shown extends the time for registration, and then within ***the*** [~~such~~] extended time. The commissioner may require any authorized insurer which is a member of a holding company system which is not subject to registration under this section to furnish a copy of the registration statement or other information filed by ***the*** [~~such~~] insurer with the insurance regulatory authority of its domiciliary jurisdiction.

(2) Every insurer subject to registration shall file a registration statement on a form provided by the commissioner, which shall contain current information about:

(a) The capital structure, general financial condition, ownership and management of the insurer and any person controlling the insurer;

(b) The identity of every member of the insurance holding company system;

(c) The following agreements in force, relationships subsisting, and transactions currently outstanding between such insurer and its affiliates:

1. Loans to, other investments in, or purchases, sales, or exchanges of securities of the affiliates by the insurer or of the insurer by its affiliates;

2. Purchases, sales, or exchanges of assets;

3. Transactions not in the ordinary course of business;

4. Guarantees or undertakings for the benefit of an affiliate which result in an actual contingent exposure of the insurer's assets to liability, other than insurance contracts entered in the ordinary course of the insurer's business;

5. All management and service contracts and all cost-sharing arrangements, other than cost allocation arrangements based upon generally accepted accounting principles; [~~and~~]

6. Reinsurance agreements covering all or substantially all of one ***(1)*** or more lines of insurance of the ceding company;

7. Dividend and other distributions to shareholders; and

8. Consolidated tax allocation agreements;

(d) Any pledge of the insurer's stock, including stock of any subsidiary or controlling affiliate for a loan made to any member of the insurance holding company system; and

(e)[~~(d)~~] Other matters concerning transactions between registered insurers and any affiliates as may be included from time to time in any registration forms adopted or approved by the commissioner.

(3) ***It shall not be necessary to disclose*** [~~No~~] information [~~need be disclosed~~] on the registration statement filed pursuant to subsection (2) of this section if ***the*** [~~such~~] information is not material for the purposes of this section. Unless the commissioner by ***administrative*** [~~rule,~~] regulation or order provides otherwise, sales, purchases, exchanges, loans, or extensions of credit, or investments, involving one-half of one percent ***(.05%)*** or less of an insurer's admitted assets as of the 31st day of December next preceding shall not be deemed material for purposes of this section.

(4) Each registered insurer shall keep current the information required to be disclosed in its registration statement by reporting all material changes or additions on amendment forms provided by the commissioner within thirty days ***(30)*** after the end of the month in which it learns of each [~~such~~] change or addition.

(5) ***All registration statements shall contain a summary outlining all items in the current registration statement representing changes from the prior registration statement.***

(6) Subject to KRS 304.37-030(5), each registered insurer shall report to the commissioner all dividends and other distributions to shareholders within fifteen (15) business days following the dividend or distribution declaration.

(7) Any person within an insurance holding company system subject to registration shall be required to provide complete and accurate information to an insurer, if the information is reasonably necessary to enable the insurer to comply with the provisions of this subtitle.

(8) The commissioner shall terminate the registration of any insurer which demonstrates that it no longer is a member of an insurance holding company system.

(9)[~~(6)~~] The commissioner may require or allow two ***(2)*** or more affiliated insurers subject to registration [~~hereunder~~] to file a consolidated registration statement or consolidated reports amending their consolidated registration statement or their individual registration statements.

(10)[~~(7)~~] The commissioner may allow an insurer which is authorized to do business in this state and which is part of an insurance holding company system to register on behalf of any affiliated insurer which is required to register under subsection (1) and to file all information and material required to be filed under this section.

(11)[~~(8)~~] The provisions of this section shall not apply to any insurer, information, or transaction if and to the extent that the commissioner by ***administrative*** [~~rule,~~] regulation[~~,~~] or order shall exempt ***it*** [~~the same~~] from the provisions of this section.

(12)[~~(9)~~] Any person may file with the commissioner a disclaimer of affiliation with any authorized insurer or [~~such~~] a disclaimer may be filed by ***the*** [~~such~~] insurer or any member of an insurance holding company system. The disclaimer shall fully disclose all material relationships and bases for affiliation between ***the*** [~~such~~] persons and ***the*** [~~such~~] insurer as well as the basis for disclaiming ***the*** [~~such~~] affiliation. After a disclaimer has been filed, the insurer shall be relieved of any duty to register or report under this section which may arise out of the insurer's relationship with ***the*** [~~such~~] person unless and until the commissioner disallows ***the*** [~~such a~~] disclaimer. The commissioner shall disallow ***the*** [~~such a~~] disclaimer only after furnishing all parties in interest with notice and opportunity to be heard and after making specific findings of fact to support ***the*** [~~such~~] disallowance.

(13)[~~(10)~~] The failure to file a registration statement or any amendment thereto required by this section within the time specified for ***the*** [~~such~~] filing shall be a violation of this subtitle.

Section 5. KRS 304.37-030 is amended to read as follows:

(1) Material transactions by registered insurers with their affiliates shall be subject to the following standards:

(a) The terms shall be fair and reasonable;

(b) ***Charges or fees for services performed shall be reasonable;***

(c) Expenses incurred and payment received shall be allocated to the insurer in conformity with consistently applied accounting practices;

(d) The books, accounts, and records of each party shall be [~~so~~] maintained [~~as~~] to clearly and accurately disclose the precise nature and details of the transactions; and

(e)[~~(c)~~] The insurer's surplus as regards policyholders, following any dividends or distributions to shareholder affiliates, shall be reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs.

(2) (a) ***The following transactions involving a domestic insurer and any person in its holding company system shall not be entered into unless the insurer has notified the commissioner in writing of its intention to enter into the transaction at least thirty (30) days prior to the transaction, or a shorter period as the commissioner may permit, and the commissioner has not disapproved it within that time:***

1. Sales, purchases, exchanges, loans or extensions of credit, guarantees, or investments, if the transactions are equal to or exceed, with respect to non-life insurers, the lesser of three percent (3%) of the insurer's admitted assets or twenty-five percent (25%) of surplus as regards policyholders, or with respect to life insurers, three percent (3%) of the insurer's admitted assets, each as of December 31 next preceding.

2. Loans or extensions of credit to any person who is not an affiliate, if the insurer makes the loans or extensions of credit with the agreement or understanding that the proceeds of the transactions, in whole or in substantial part, are to be used to make loans or extensions of credit to, to purchase assets of, or

to make investments in, any affiliate of the insurer making the loans or extensions of credit if the transactions are equal to or exceed, with respect to non-life insurers, the lesser of three percent (3%) of the insurer's admitted assets or twenty-five percent (25%) of surplus as regards policyholders, or, with respect to life insurers, three percent (3%) of the insurer's admitted assets, each as of December 31 next preceding.

3. Reinsurance agreements or modifications in which the reinsurance premium or a change in the insurer's liabilities equals or exceeds five percent (5%) of the insurer's surplus as regards policyholders, as of December 31 next preceding, including those agreements which may require as consideration the transfer of assets from an insurer to a nonaffiliate, if an agreement or understanding exists between the insurer and nonaffiliate that any portion of the assets will be transferred to one (1) or more affiliates of the insurer;

4. All management agreements, service contracts, and all cost sharing arrangements; and

5. Any material transactions, specified by regulation, which the commissioner determines may adversely affect the interests of the insurer's policyholders.

(b) This subsection shall not authorize or permit any transactions which, in the case of an insurer not a member of the same holding company system, would be otherwise contrary to law.

(c) A domestic insurer shall not enter into transactions which are part of a plan or series of like transactions with persons within the holding company system if the purpose of those separate transactions is to avoid the statutory threshold amount and thus avoid the review that would otherwise occur. If the commissioner determines that the separate transactions were entered into over any twelve (12) month period for avoidance purposes, he may exercise his authority under Section 8 of this Act.

(d) The commissioner, in reviewing transactions pursuant to this subsection, shall consider whether the transactions comply with the standards set forth in subsection (1) of this section and whether they may adversely affect the interests of policyholders.

(e) The commissioner shall be notified within thirty (30) days of any investment of the domestic insurer in any one (1) corporation if the total investment in the corporation by the insurance holding company exceeds ten percent (10%) of the corporation's voting securities.

(3) (a) Notwithstanding the control of a domestic insurer by any person, the officers and directors of the insurer shall not be relieved of any obligation or liability to which they would otherwise be subject by law, and the insurer shall be managed so as to assure its separate operating identity consistent with this chapter.

(b) Nothing in this section precludes a domestic insurer from having or sharing a common management or cooperative or joint use of personnel, property, or services with one (1) or more other persons under arrangements which meet the standards of subsection (1) of this section.

(4) (a) For the purposes of this subtitle, in determining whether an insurer's surplus as regards policyholders is reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs, an insurer's surplus shall be deemed reasonable and adequate if its surplus as regards policyholders is at least two hundred percent (200%) of the amounts required under KRS Chapter 304 for the kinds of insurance the insurer is authorized to transact.

(b) Except as set forth in paragraph (a) of this subsection, the following factors, among others, shall be considered in determining whether an insurer's surplus as regards policyholders is reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs:

1. The size of the insurer as measured by its assets, capital and surplus, reserves, premium writings, insurance in force, and other appropriate criteria;

2. The extent to which the insurer's business is diversified among the several lines of insurance;

3. The number and size of risks insured in each line of business;

4. The extent of the geographical dispersion of the insurer's insured risks;

5. The nature and extent of the insurer's reinsurance program;

6. The quality, diversification, and liquidity of the insurer's investment portfolio;

7. The recent past and projected future trend in the size of the insurer's surplus as regards policyholders;

8. The surplus as regards policyholders maintained by other comparable insurers;

9. The adequacy of the insurer's reserves; and

10. The quality and liquidity of investments in subsidiaries. The commissioner may treat any [~~such~~] investment as a disallowed asset for purposes of determining the adequacy of surplus as regards policyholders ***if*** [~~whenever~~] in his judgment ***the*** [~~such~~] investment [~~so~~] warrants.

(5)[~~(3)~~] No insurer subject to registration under KRS 304.37-020 shall pay any extraordinary dividend or make any other extraordinary distribution to its stockholders until thirty (30) days after the commissioner has received notice of the declaration thereof and has not within ***the*** [~~such~~] period disapproved ***the*** [~~such~~] payment, or the commissioner shall have approved ***the*** [~~such~~] payment within ***the*** [~~such~~] thirty (30) day period. For purposes of this section, an extraordinary dividend or distribution is any dividend or distribution which, together with other dividends or distribution made within the preceding twelve (12) months, exceeds the ***lesser*** [~~greater~~] of (a) ten percent (10%) of ***the*** [~~such~~] insurer's surplus as regards policyholders as of [~~the thirty-first day of~~] December ***31*** next preceding, or (b) the net gain from operations of ***the*** [~~such~~] insurer company, if ***the*** [~~such~~] insurer is a life insurer, or the net [~~investment~~] income, if ***the*** [~~such~~] insurer is not a life insurer, for the twelve (12) month period ending [~~the thirty-first day of~~] December ***31*** next preceding, but shall not include pro rata distribution of any class of the insurer's own securities. Notwithstanding any other provision of law, an insurer may declare an extraordinary dividend or distribution which is conditional upon the commissioner's approval thereof, and ***the*** [~~such a~~] declaration shall confer no rights upon stockholders until the commissioner has approved the payment of ***the*** [~~such~~] dividend or distribution or until the commissioner has not disapproved ***the*** [~~such~~] payment within the thirty (30) day period referred to in this section.

SECTION 6. A NEW SECTION OF SUBTITLE 37 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) If an order for liquidation or rehabilitation of a domestic insurer has been entered, the receiver appointed under the order shall have the right to recover on behalf of the insurer, from any parent corporation or holding company or person or affiliate who otherwise controlled the insurer, the amount of distributions, other than distribution of shares of the same class of stock paid by the insurer on its capital stock, or any payment in the form of a bonus, termination settlement, or extraordinary lump sum salary adjustment made by the insurer, or its subsidiary, or subsidiaries to a director, officer, or employee if the distribution or payment is made at any time during one (1) year preceding the petition for liquidation, conservation, or rehabilitation, as the case may be, subject to the limitations of subsections (2), (3), and (4) of this section.

(2) No distribution shall be recoverable if the parent or affiliate shows that when paid, the distribution was lawful and reasonable, and that the insurer did not know and could not reasonably have known that the distribution might adversely affect the ability of the insurer to fulfill its contractual obligations.

(3) Any person who was a parent corporation or holding company or a person who otherwise controlled the insurer or affiliate at the time the distributions were paid shall be liable up to the amount of distributions or payment under subsection (1) of this section received by that person. Any person who otherwise controlled the insurer at the time the distributions were declared shall be liable up to the amount of distributions he would have received if they had been paid immediately. If two (2) or more persons are liable with respect to the same distributions, they shall be jointly and severally liable.

(4) The maximum amount recoverable under this section shall be the amount needed in excess of all other available assets of the impaired or insolvent insurer to pay the contractual obligations of the impaired or insolvent insurer and to reimburse any guaranty fund.

(5) To the extent that any person liable under subsection (3) of this section is insolvent or otherwise fails to pay claims due from it, its parent corporation, holding company, or person who otherwise controlled it at the time the distribution was paid shall be jointly and severally liable for any resulting deficiency in the amount recovered from the parent corporation, holding company, or person who otherwise controlled it.

Section 7. KRS 304.37-010 is amended to read as follows:

As used in this subtitle, the following terms shall have the respective meanings [~~hereinafter~~] set forth, unless the context shall otherwise require:

(1) The term "commissioner" shall mean the Commissioner of Insurance or the Department of Insurance, as appropriate.

(2) "Insurer" includes every person engaged as principal and as indemnitor, surety, or contractor in the business of entering into contracts of insurance.

(3) An "insurance holding company system" consists of two ***(2)*** or more affiliated persons, one ***(1)*** or more of which is an insurer.

(4) An "affiliate" [~~of~~], or person "affiliated" with a specific person, is a person that directly, or indirectly through one ***(1)*** or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

(5) A "person" is an individual, a corporation, a partnership, an association, a joint stock company, an unincorporated organization, any similar entity or any combination of the foregoing acting in concert, but shall not include any bank in its fiduciary capacity or securities broker performing no more than the usual and customary broker's function.

(6) A "subsidiary" of a specified person is an affiliate controlled by ***the*** [~~such~~] person directly or indirectly through one ***(1)*** or more intermediaries.

(7) The term "voting security" shall include any security convertible into or evidencing a right to acquire a voting security.

(8) The ***terms*** [~~term~~] "control," [~~(including the terms~~] "controlling," "controlled by" and "under common control with"[~~)~~] ***mean*** [~~means~~] the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a loan contract or commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing ***fifteen*** [~~15~~] percent ***(15%)*** or more of the voting securities of any other person. This presumption may be rebutted by a showing made in the manner provided by KRS 304.37-020***(12)***[~~(9)~~] that control does not exist in fact. The commissioner may determine, after forwarding all persons in interest notice and opportunity to be heard and making specific findings of fact to support ***the*** [~~such~~] determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

SECTION 8. A NEW SECTION OF SUBTITLE 99 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) Any person who violates a cease and desist order of the commissioner under Section 3(5) of this Act may, after notice and hearing and upon order of the commissioner, be subject at the discretion of the commissioner to a civil penalty of not more than ten thousand dollars ($10,000) for every day of violation, suspension, or revocation of the person's license or certificate of authority, or both.

(2) Any insurer or other person who fails to make any filing required by Section 2 of this Act and who also fails to demonstrate a good faith effort to comply with any filing requirement shall be subject to a civil penalty of not more than ten thousand dollars ($10,000).

SECTION 9. A NEW SECTION OF SUBTITLE 99 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) Any insurer failing, without just cause, to file any registration statement as required by KRS Chapter 304, Subtitle 37, shall be required, after notice and hearing, to pay a civil penalty of ten thousand dollars ($10,000) for each day's delay to the commissioner. The maximum civil penalty under this section shall be one hundred thousand dollars ($100,000). The commissioner may reduce the civil penalty if the insurer demonstrates to the commissioner that the imposition of the penalty would constitute a financial hardship to the insurer.

(2) Every director or officer of an insurance holding company system who knowingly violates, participates in, assents to, or who knowingly permits any of the officers or agents of the insurer to engage in transactions or make investments which have not been properly reported or submitted pursuant to KRS 304.37-020(1), 304.37-030(2), or 304.37-030(5), or which violate KRS Chapter 304, Subtitle 37, shall pay, in their individual capacities, a civil penalty of not more than five thousand dollars ($5,000) per violation, after notice and hearing before the commissioner. In determining the amount of the civil penalty, the commissioner shall take into account the appropriateness of the civil penalty with respect to the gravity of the violation, the history of previous violations, and other matters justice may require.

(3) If it appears that any insurer subject to KRS Chapter 304, Subtitle 37, or any director, officer, employee, or agent has engaged in any transaction or entered into any contract which is subject to KRS 304.37-030 and which would not have been approved had approval been requested, the commissioner may order the insurer to cease and desist immediately any further activity under that transaction or contract. After notice and hearing, the commissioner may also order the insurer to void the contracts and restore the status quo if the action is in the best interest of the policyholders, creditors, or the public.

(4) If it appears that any insurer or any director, officer, employee, or agent has committed a willful violation of KRS Chapter 304, Subtitle 37, the commissioner may cause criminal proceedings to be instituted in the Circuit Court for the county in which the principal office of the insurer is located, or if the insurer has no office in Kentucky, in the Franklin Circuit Court against the insurer or the responsible director, officer, employee, or agent. Any insurer which willfully violates KRS Chapter 304, Subtitle 37, may be fined not more than one hundred thousand dollars ($100,000). Any individual who willfully violates KRS Chapter 304, Subtitle 37, may be fined in his individual capacity not more than one thousand dollars ($1,000), be imprisoned for not more than one (1) to three (3) years, or both.

(5) Any officer, director, or employee of an insurance holding company system who willfully and knowingly subscribes to or makes or causes to be made any false statements or false reports or false filings with the intent to deceive the commissioner in the performance of his duties under KRS Chapter 304, Subtitle 37, upon conviction, shall be imprisoned for not more than one (1) year or more than five (5) years, or fined ten thousand dollars ($10,000), or both. Any fines imposed shall be paid by the officer, director, or employee in his individual capacity.

HB 638, AN ACT relating to credit cards.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, unless the context requires otherwise:

(a) "Accepted credit card" means any credit card which the cardholder has requested and received or has signed or has used, or authorized another to use, for the purpose of obtaining money, goods, services, or anything else of value on credit.

(b) "Applicant" means the person who submits a written application to have a credit card issued and shall not include the spouse of the person who submits the application.

(c) "Credit card" means any instrument or device, whether known as a credit card, credit plate, credit number or by any other name, issued by an issuer for the use of the cardholder in obtaining money, goods, services, or anything else of value on credit.

(d) "Issuer" means the business organization or financial institution which issues a credit card or its duly authorized agent.

(2) No credit card shall be issued except in response to a request or application therefor. This prohibition shall not apply to the issuance of a credit card in renewal of, or in substitution for, an accepted credit card.

(3) An application for a credit card shall be signed by, and include the address of, the applicant and each authorized user.

(4) (a) A credit card shall not be issued nor deemed to be an accepted credit card until the issuer has notified by mail each authorized user whose signature is on the application that the person is listed as an authorized user and that the person has ten (10) days to notify the issuer if the person does not want to be listed as an authorized user.

(b) This subsection shall not apply if the applicant and all authorized users signed the application in the presence of the issuer.

(5) If a person did not sign a credit card application as an authorized user, the person shall not:

(a) Be an authorized user;

(b) Be liable for any debt arising from use of the credit card; and

(c) Have the credit card account or any debt arising from use of the credit card listed on any consumer report on the person made by any consumer reporting agency that is subject to the provisions of the Fair Credit Reporting Act, 15 U.S.C.A. Sec. 1681, et seq., as amended.

SB 113, AN ACT relating to investments of domestic insurers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.7-020 is amended to read as follows:

(1) Insurers shall hereafter invest in or lend their funds on the security of, and shall hold as invested assets, only eligible investments as prescribed in this subtitle.

(2) Any particular investment held by an insurer on ***the effective date of Sections 1 to 18 of this Act*** [~~June 18, 1970~~], which was a legal investment at the time it was made, and which the insurer was legally entitled to possess immediately prior to ***the effective date of Sections 1 to 18 of this Act*** [~~June 18, 1970~~], shall be deemed to be an eligible investment.

(3) Except as stated in subsection (2) of this section ***and subsection (4) of Section 2 of this Act***, eligibility of an investment shall be determined as of the date of the making or acquisition, but an investment permitted under KRS 304.7-270 shall be considered an eligible investment under another section or sections of this subtitle from and after the date on which it meets the requirements of eligibility of ***the*** [~~such~~] section or sections as if it were made or acquired on that date.

(4) Any investment limitation or diversification requirement based upon the amount of the insurer's assets or a particular fund shall relate to ***the*** [~~such~~] assets or fund as shown by the insurer's annual statement as of the December 31 next preceding date of acquisition of the investment by the insurer, or as shown by a current applicable financial statement, resulting from merger with another insurer, bulk re-insurance, or change in capitalization.

Section 2. KRS 304.7-030 is amended to read as follows:

(1) ***Except for bona fide hedging transactions authorized by Section 15 of this Act,*** no security or investment [(]other than real and personal property acquired under KRS 304.7-210,[)] shall be eligible for acquisition unless it is interest bearing or interest accruing or entitled to dividends or is otherwise income-entitled and is not then in default.

(2) No security or investment shall be eligible for purchase at a price above its fair value.

(3) No provision of this subtitle shall prohibit the acquisition by an insurer of other or additional securities or property if received as a ***contribution to surplus approved by the commissioner or as a*** dividend or as a lawful distribution of assets, or upon a debt or judgment, or under a lawful and bona fide agreement of bulk re-insurance, merger, or consolidation. Any security or property so acquired which is not otherwise an eligible investment under this subtitle shall be disposed of pursuant to KRS 304.7-290 if real estate, or pursuant to KRS 304.7-300 if personal property or securities.

(4) No provision of this subtitle shall prohibit a domestic insurer that transferred its domicile from another state pursuant to KRS 304.24-500 from holding other or additional securities or properties which the insurer was legally entitled to possess immediately prior to its redomestication. Any security or property so held which is not otherwise an eligible investment under this subtitle shall be deemed to have been acquired by the insurer as of the effective date of its redomestication. Any security or property so acquired which is not otherwise an eligible investment under this subtitle shall be disposed of pursuant to KRS 304.7-290, if real estate, or pursuant to KRS 304.7-300, if personal property or securities.

Section 3. KRS 304.7-050 is amended to read as follows:

(1) Investments of an insurer transacting life or health insurance or both shall be subject to limitations set forth in the following sections of this subtitle identified for "life insurer."

(2) Investments of an insurer transacting other than life insurance shall be subject to limitations set forth in the following sections of this subtitle identified for "other than life insurer."

(3) ***Except as otherwise provided in this subtitle,*** an insurer shall not have at any one (1) time any combination of investments in or loans upon the security of the obligations, property, or securities of any one (1) person aggregating an amount exceeding ten percent (10%) of the insurer's assets. This restriction

shall not apply as to general obligations issued, assumed, or guaranteed by the United States or by any state, or by Canada or by any province thereof, or include policy loans made under KRS 304.7-180.

Section 4. KRS 304.7-070 is amended to read as follows:

(1) An insurer may invest in the obligations [~~(~~]and[~~/or~~] stock***, or both,*** where stated,[~~)~~] issued, assumed, or guaranteed by the following agencies of the government of the United States, or in which ***the*** [~~said~~] government is a participant, whether or not ***the*** [~~such~~] obligations are guaranteed by ***the*** [~~such~~] government:

(a) Farm Loan Bank.

(b) Commodity Credit Corporation.

(c) Federal Intermediate Credit Banks.

(d) Federal Land Banks.

(e) Central Bank for Cooperatives.

(f) Federal Home Loan Banks, and stock thereof.

(g) Federal National Mortgage Association, and stock thereof when acquired in connection with sale of mortgage loans to ***the*** [~~such~~] association.

(h) International Bank for Reconstruction and Development.

(i) Inter-American Development Bank.

(j) Asian Development Bank.

(k) African Development Bank.

(l) Any other similar agency of, or participated in by, the government of the United States and of similar financial quality.

(2) An insurer, either life or other than life, ***shall*** [~~may~~] not invest or have invested under this section and under KRS 304.7-060, at any ***one (1)*** time, more than ***seventy-five*** [~~sixty~~] percent ***(75%)*** [~~(60%)~~] of its assets. This limitation shall not apply to obligations issued, assumed, or guaranteed by the United States.

Section 5. KRS 304.7-080 is amended to read as follows:

(1) An insurer may invest in obligations, other than those eligible for investment under KRS 304.7-200, issued, assumed, or guaranteed by any solvent institution created or existing under the laws of the United States, or of Canada, or of any state, province, district, or territory, which are not in default as to principal or interest and ***if no obligation of the institution has been in default as to principal or interest during the five (5) years preceding the investment. It shall not be necessary that the institution have had obligations or guarantees outstanding for the five (5) year period or have been in existence for that period*** [~~which are qualified under any of the following:~~

~~(a) Obligations (including also bonds, notes or other obligations of corporations engaged primarily in the business of owning or holding or leasing real property, secured by one or more mortgages on real estate and/or by assignment of one or more leases on real estate) secured by adequate collateral security and bearing fixed interest and if during each of any three (3), including either of the last two (2) fiscal years of a period of not less than three (3) nor more than five (5) fiscal years next preceding the date of acquisition by the insurer, the net earnings of the issuing, assuming or guaranteeing institution available for its fixed charges, as defined in KRS 304.7-090, shall have been not less than one and one-quarter (1 1/4) times the total of its fixed charges for such year, or obligations which, at the date of acquisition by the insurer, are adequately secured and have investment qualities and characteristics wherein the speculative elements are not predominant. In determining the adequacy of collateral security, not more than one-third (1/3) of the total value of such required collateral shall consist of stock other than stock meeting the requirements of KRS 304.7-100.~~

~~(b) Fixed interest-bearing obligations, other than those described in paragraph (a) of subsection (1) of this section, if the net earnings of the issuing, assuming or guaranteeing institution available for its fixed charges for a period of five (5) fiscal years next preceding the date of acquisition by the insurer have averaged per year not less than one and one-half (1 1/2) times its annual fixed charges applicable to such period and~~

~~if during either of the last two (2) years of such period such net earnings have been not less than one and one-half (1 1/2) times its fixed charges for such year.~~

~~(c) Adjustment, income or other contingent interest obligations if the net earnings of the issuing, assuming or guaranteeing institution available for its fixed charges for a period of five (5) fiscal years next preceding the date of acquisition by the insurer have averaged per year not less than one and one-half (1 1/2) times the sum of its average annual fixed charges and its average annual maximum contingent interest applicable to such period and if during either of the last two (2) years of such period such net earnings have been not less than one and one-half (1 1/2) times the sum of its fixed charges and maximum contingent interest for such year.~~

~~(d) Fixed interest bearing obligations, other than those described in paragraphs (a) and (b) of subsection (1) of this section, if net earnings of the issuing, assuming and guaranteeing institution available for its fixed charges for a period of five (5) fiscal years next preceding the date of acquisition by the insurer have averaged per year not less than one and one-quarter (1 1/4) times its average annual fixed charges applicable to such period and if during each of any four (4) fiscal years of such period such net earnings have been not less than one and one-quarter (1 1/4) times its fixed charges for such year~~].

(2) An insurer, either life or other than life, ***shall*** [~~may~~] not invest or have invested under this section at any one (1) time more than sixty percent (60%) of its assets.

SECTION 6. A NEW SECTION OF KRS 304.7-080 TO 304.7-090 IS CREATED TO READ AS FOLLOWS:

(1) An insurer may invest in unconditional obligations, other than those eligible for investment under KRS 304.7-200 and Section 12 of this Act, which are secured by an assignment of the right to receive payments for rent, purchase, or other payments or revenues for the use or purchase of real or personal property or from contractual obligations for the payment of money sufficient to repay the investment, or liens or security interests in real or personal property or any interest therein.

(2) An insurer, either life or other than life, shall not invest or have invested under this section at any one (1) time more than twenty-five percent (25%) of its assets.

Section 7. KRS 304.7-090 is amended to read as follows:

(1) Certain terms used are defined for the purpose of this subtitle as follows:

(a) "Obligations" includes bonds, debentures, notes, or other evidences of indebtedness.

(b) "Institution" includes a corporation, a joint-stock association, [~~and~~] a business trust***, a business partnership, and a business joint venture***.

[~~(c) "Net earnings available for fixed charges" means net income after deducting operating and maintenance expenses, taxes other than federal, state and other income taxes, depreciation and depletion, but excluding extraordinary nonrecurring items of income or expense appearing in the regular financial statements of the issuing, assuming or guaranteeing institutions.~~

~~(d) "Fixed charges" includes interest on funded and unfunded debt, amortization of debt discount, and rentals for leased properties having an unexpired term in excess of three years.~~

~~(2) If net earnings are determined in reliance upon consolidated earnings statements of parent and subsidiary institutions, such net earnings shall be determined after provisions for income taxes of only those subsidiaries in which the parent institution owns directly or indirectly less than ninety percent (90%) of all classes of voting stock, and after proper allowance for minority stock interest, if any; and the required coverage of fixed charges shall be computed on a basis including fixed charges and preferred dividends of subsidiaries other than those payable by such subsidiaries to the parent corporation or to any other of such subsidiaries, except that if the minority common stock interest in the subsidiary corporation is substantial, the fixed charges and preferred dividends may be apportioned.~~]

Section 8. KRS 304.7-100 is amended to read as follows:

(1) An insurer may invest in the preferred or guaranteed stocks or shares of any solvent institution organized and existing under the laws of the United States or of Canada, or of any state, province, district, or territory thereof ***and if no preferred or guaranteed cumulative dividend payable by the institution has been in default during the five (5) years preceding the investment. It shall not be necessary that the institution***

have had preferred or guaranteed stocks or shares issued and outstanding for the five (5) year period or have been in existence for that period[~~, if all of the prior obligations and prior preferred stocks, if any, of such institution at the date of acquisition by the insurer are eligible as investments under this subtitle; and if qualified under subsection (1) or subsection (2) following:~~

~~(1) Preferred stocks or shares shall be deemed qualified if both of the following requirements are met:~~

~~(a) The net earnings of such institution available for its fixed charges for a period of five (5) fiscal years next preceding the date of acquisition by the insurer shall have averaged per year not less than one and one-half (1 1/2) times the sum of its average annual fixed charges, if any, its average annual maximum contingent interest, if any, and its average annual preferred dividend requirements applicable to such period; and~~

~~(b) During either of the last two (2) years of such period, such net earnings shall have been not less than one and one-half (1 1/2) times the sum of its fixed charges, contingent interest and preferred dividend requirements for such year. The term "preferred dividend requirements" shall be deemed to mean cumulative or noncumulative dividends whether paid or not~~].

(2) [~~Guaranteed stocks or shares shall be deemed qualified if the assuming or guaranteeing institution meets the requirements of paragraph (b) of subsection (1) of KRS 304.7-080, construed so as to include as a fixed charge the amount of guaranteed dividends of such issue or the rental covering the guarantee of such dividends.~~

~~(3)~~] An insurer, either life or other than life, ***shall*** [~~may~~] not invest or have invested under this section, at any one (1) time, more than ***twenty*** [~~fifteen~~] percent ***(20%)*** [~~(15%)~~] of its assets. ***Until the time the Securities Valuation Office of the National Association of Insurance Commissioners awards ratings numbered "1" through "6" on preferred or guaranteed stocks or shares, not more than two percent (2%) of the insurer's assets shall be invested in preferred or guaranteed stocks or shares awarded an "N" rating by the Securities Valuation Office of the National Association of Insurance Commissioners and not more than one-half of one percent (0.5%) of the insurer's assets shall be invested in the preferred or guaranteed stocks or shares issued by any one (1) institution awarded an "N" rating by the Securities Valuation Office of the National Association of Insurance Commissioners.***

SECTION 9. A NEW SECTION OF KRS 304.7-100 TO 304.7-150 IS CREATED TO READ AS FOLLOWS:

(1) Of the aggregate investments made by an insurer under KRS 304.7-060, 304.7-080, this section, and KRS 304.7-100:

(a) Not more than twenty percent (20%) of this insurer's assets shall be invested in securities awarded a "3", "4", "5", or "6" rating by the Securities Valuation Office of the National Association of Insurance Commissioners;

(b) Not more than ten percent (10%) of the insurer's assets shall be invested in securities awarded a "4", "5", or "6" rating by the Securities Valuation Office of the National Association of Insurance Commissioners;

(c) Not more than three percent (3%) of the insurer's assets shall be invested in securities awarded a "5" or "6" rating by the Securities Valuation Office of the National Association of Insurance Commissioners; and

(d) Not more than one percent (1%) of the insurer's assets shall be invested in securities awarded a "6" rating by the Securities Valuation Office of the National Association of Insurance Commissioners.

(2) (a) Of the aggregate investments made by an insurer under KRS 304.7-060, 304.7-080, this section, and KRS 304.7-100:

1. Not more than one percent (1%) shall be invested in the securities issued, guaranteed, or insured by any one (1) institution awarded a "3" rating by the Securities Valuation Office of the National Association of Insurance Commissioners; and

2. Not more than one-half of one percent (0.5%) shall be invested in the securities issued, guaranteed, or insured by any one (1) institution awarded a "4", "5", or "6" rating by the Securities Valuation Office of the National Association of Insurance Commissioners.

(b) An insurer shall not invest more than one percent (1%) of its assets in all securities issued, guaranteed or insured by any one (1) institution awarded a "3", "4", "5", or "6" rating by the Securities Valuation Office of the National Association of Insurance Commissioners.

(3) Nothing in this section shall be construed as prohibiting an insurer from making any investment under KRS 304.7-080, this section, or KRS 304.7-100 which:

(a) The insurer previously committed to make, if the insurer would have been permitted to make the investment on the date on which the insurer made the commitment;

(b) Is made for the purpose of protecting an investment previously made in the securities of the same institution, but all investments made pursuant to this subsection shall not exceed an aggregate of one-half of one percent (0.5%) of the insurer's assets; or

(c) Is made as the result of a restructuring of an investment already held which has been awarded a "3", "4", "5", or "6" rating by the Securities Valuation Office of the National Association of Insurance Commissioners.

(4) (a) The "1" through "6" ratings of the National Association of Insurance Commissioners referred to in this section and in Section 8 of this Act are quality ratings of "1" through "6" for obligations, "PP-1" through "PP-6" for perpetual preferred stock, and "PSF-1" through "PSF-6" for sinking fund or limited life preferred stock.

(b) Any quality ratings designated for valuation of securities, adopted after February 1, 1992, by the Securities Valuation Office of the National Association of Insurance Commissioners, that are approved by administrative regulation promulgated by the commissioner for use in valuation of securities, may be substituted for the quality ratings designated in this section.

Section 10. KRS 304.7-150 is amended to read as follows:

An insurer may invest in the shares of savings and loan or building and loan associations or in the savings accounts of federal savings and loan associations to the extent that the investment or account is insured by the Federal ***Deposit*** [~~Savings and loan~~] Insurance Corporation pursuant to the ***Federal Deposit Insurance Act*** [~~national housing act of 1934~~], as amended.

Section 11. KRS 304.7-200 is amended to read as follows:

(1) An insurer may invest in obligations, other than those described in KRS 304.7-080, which are secured by first mortgages or deeds of trust upon improved real property located in the United States or Canada, including leasehold estates, if the underlying real property is not subject to prior liens or encumbrances, and subject to the following requirements:

(a) The security for the loan ***shall*** [~~must~~] be a first lien upon ***the*** [~~such~~] real property; and

(b) In the case of leasehold estates, there ***shall*** [~~must~~] not be any condition or right of re-entry or forfeiture not insured against under which the insurer is unable to continue the lease in force for the duration of the loan and the indebtedness ***shall*** [~~must~~] mature within four-fifths (4/5) of the term of the lease, including enforceable renewal options.

(c) The loan shall provide for amortization by repayment of principal at least once each year in amounts sufficient to repay the loan by the scheduled maturity date of the loan. Installment payments of principal may begin up to five (5) years from the date the loan is made or restructured if the real property or leasehold estate is to be used for commercial purposes.

(2) The following shall not be considered as prior liens or encumbrances on real property within the meaning of this section:

(a) Leasehold estates of any duration.

(b) Reservations or exceptions of timber, coal, gas, oil, and other mineral rights.

(c) Rights of way, servitudes, joint driveways, easements, party-wall agreements.

(d) Ground rents, taxes, and assessments not yet delinquent.

(e) Restrictions or conditions as to building, use, and occupancy if there is not a right of re-entry or forfeiture for violation, or if there is protection against any [~~such~~] right of re-entry or forfeiture through a policy of title insurance.

(f) Any lien or other interest in real property, if it is subordinate to the mortgage, lien, or deed of trust.

(3) A mortgage shall nevertheless be deemed to be a first lien for the purposes of this section if, although junior in lien to a prior existing mortgage covering the same real property, the net amount actually advanced by the insurer under its mortgage plus the balance of principal and accrued interest then remaining unpaid under ***the*** [~~such~~] prior mortgage does not exceed the amount which the insurer otherwise could have invested in ***the*** [~~such~~] mortgage loan, and if the investing insurer administers the payments and other performance required under such prior mortgage.

(4) A mortgage loan or loans made or acquired by an insurer on any one (1) property shall not, at ***the*** time of investment by the insurer, be in an amount in excess of eighty percent (80%) of the fair value of the property, or in the case of a leasehold estate, be in excess of seventy-five percent (75%) of the fair value of ***the*** [~~such~~] leasehold estate, or permit amortization over a period exceeding four-fifths (4/5) of the lease term, [~~(~~]including enforceable renewal options,[~~)~~] remaining at the time of the loan.

(5) ***A restructured mortgage loan or loans made by an insurer on any one (1) property shall not, at the time of restructuring by the insurer, be in an amount in excess of eighty percent (80%) of the fair value of the property, or in the case of a leasehold estate, be in excess of seventy-five percent (75%) of the fair value of the leasehold estate, or permit amortization over a period exceeding four-fifths (4/5) of the lease term, including enforceable renewal options, remaining at the time of the restructuring of the loan. For the purpose of this section, a "restructured mortgage loan" means a loan where:***

(a) Material delinquent payments or accrued interest are capitalized and added to the balance of an outstanding loan; or

(b) The insurer has abated or reduced interest payments below market rates existing at the date of restructuring.

(6) (a) The insurer shall make an evaluation of the appropriate carrying value of each restructured mortgage loan. The carrying value shall be based upon one (1) or more of the following procedures:

1. An internal appraisal;

2. An appraisal by an independent appraiser;

3. The value of guarantees or other credit enhancements related to the restructured loan.

(b) The insurer shall either take a charge against its surplus or establish a reserve for the difference between the carrying value and the amortized acquisition cost of a restructured mortgage loan.

(7) In applying the limitations under subsection (4) of this section, there may be excluded from the amount invested that portion guaranteed by the administrator of veterans' affairs pursuant to the Servicemen's Readjustment Act of 1944, as amended, or insured by the federal housing administration under the national housing act, as amended, or by other United States or Canadian governmental agencies***, or by an authorized mortgage guaranty insurer which has insured, guaranteed, or made a commitment to insure or guarantee the amount by which the loan is in excess of the limitations of subsection (4) of this section, up to ninety-five percent (95%) of the fair market value of the property***.

(8)[~~(6)~~] Nothing in subsection (4) of this section shall be deemed to prohibit an insurer from renewing or extending a mortgage loan for the original or a less amount even though ***the*** [~~such~~] amount is greater than the limits prescribed in subsection (4) of this section as applied to the current fair value of the real property or leasehold estate subject to such mortgage.

(9)[~~(7)~~] An insurer may invest in purchase money mortgages or other obligations received by it upon the sale or exchange of real property acquired pursuant to KRS 304.7-210 and subsection (4) of this section shall not apply to ***the*** [~~such~~] investments.

(10)[~~(8)~~] In connection with a mortgage loan on the security of real property, an insurer may loan or invest an amount not exceeding twenty percent (20%) of the amount loaned on or invested in ***the*** [~~such~~] mortgage, on the security of a chattel mortgage or security agreement for a term of not more than five (5) years representing a first and prior lien, except for taxes not then delinquent, on personal property constituting equipment owned by the mortgagor and kept and used in the mortgaged premises.

(11)[~~(9)~~] An insurer ***shall*** [~~may~~] not invest or have invested under this section at any [~~one~~] time more than seventy-five percent (75%) of its assets.

SECTION 12. A NEW SECTION OF KRS 304.7-200 TO 304.7-210 IS CREATED TO READ AS FOLLOWS:

An insurer may invest in mortgage pass-through securities, and derivatives thereof, including, without limitation, collateral mortgage obligations, backed by a pool of mortgages of the kind, class, and investment quality as those eligible for investment under KRS 304.07-200 or the structure of which is of similar financial quality as a pool of mortgages eligible for investment under KRS 304.7-200, or which are issued, guaranteed, or insured by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, a monoline financial guarantee insurer, or any other similar entity of similar financial quality. Investments made by an insurer under this section shall be aggregated with investments made under KRS 304.7-200 in determining compliance with the overall limitation provided by KRS 304.7-200.

Section 13. KRS 304.7-260 is amended to read as follows:

(1) An insurer authorized to transact insurance in a foreign country, or which has outstanding insurance, annuity, or re-insurance contracts on lives or risks resident or located in a foreign country, may invest in or otherwise acquire or loan upon securities and investments in ***the*** [~~such~~] foreign country which are substantially of the same kinds, classes, and investment grades as those eligible for investment under other sections of this subtitle; but the aggregate amount of [~~such~~] investments in a foreign country and of cash in the currency of ***the*** [~~such~~] country shall not, except as to Canadian investments otherwise authorized under this subtitle, exceed one and one-half (1 1/2) times the amount of its reserves and other obligations under ***the*** [~~such~~] contracts, or the amount which the insurer is required by law to invest in ***the*** [~~such~~] country, whichever is the greater.

(2) In addition to the foreign investments otherwise permitted under this subtitle, an insurer may invest in or otherwise acquire or loan upon securities and investments in foreign countries which are substantially of the same kinds, classes, and investment grades as those otherwise eligible for investment under this subtitle; but the aggregate amount of ***the*** [~~such~~] investments under this subsection shall not exceed ***ten*** [~~one~~] percent ***(10%)*** [~~(1%)~~] of the insurer's assets.

SECTION 14. A NEW SECTION OF KRS 304.7-260 TO 304.7-270 IS CREATED TO READ AS FOLLOWS:

(1) An insurer may invest in venture capital funds or pools organized to encourage equity capital investment in Kentucky, encourage the establishment and expansion of small business and industry, and encourage the development of new job opportunities in Kentucky.

(2) The Commonwealth Venture Fund established in KRS 155.400 to 155.490 shall be eligible for investment under this section.

(3) An insurer shall not have more than one percent (1%) of its assets invested under this section.

SECTION 15. A NEW SECTION OF KRS 304.7-260 TO 304.7-270 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section:

(a) "Bona fide hedging transaction" means the purchase or sale of a futures contract or an option which is entered into for the purpose of reducing the risk of market value or interest rate fluctuation and which is intended to be a substitute for the sale or purchase of an underlying obligation, an underlying liability, or foreign currency in connection with the purchase or sale of eligible securities or liabilities; and

(b) "Qualified broker or dealer" means a broker or dealer that is organized under the laws of a state, is registered under the Securities Exchange Act of 1934, 15 U.S.C. Section 78a-78kk, and has a net capital in excess of one hundred million dollars ($100,000,000).

(2) Nothing in this subtitle shall be deemed to prohibit an insurer from engaging in the investment practice of buying or selling:

(a) Contracts and options for the future delivery or receipt of obligations, contracts, and options relating to market value indices of obligations and options to acquire any such contracts, in each case traded on a securities exchange or board of trade regulated under the laws of the United States, traded on an international

exchange regulated under the laws of a foreign country, or done with a qualified broker or dealer, in bona fide hedging transactions for the purpose of offsetting changes in the market value of obligations held or proposed to be acquired or sold by the insurer or in the value of liabilities the insurer has or expects to incur;

(b) Contracts and options for the future delivery or receipt of securities directly to or from the issuers thereof;

(c) Foreign currency and contracts and options for future delivery or receipt of foreign currency, in bona fide hedging transactions for the purpose of offsetting changes in foreign currency exchange rates that affect the value of obligations held or proposed to be acquired or sold by the insurer or in the value of the liabilities the insurer has or expects to incur;

(d) A composite of investments or investment strategies which, when taken in the aggregate, bear characteristics which are substantially the same as this section; and

(e) Nothing in this subtitle shall be deemed to prohibit an insurer from pledging the assets required to effect a bona fide hedging transaction, and the assets pledged shall be deemed to be admitted assets to the extent otherwise provided for in this subtitle.

(3) Nothing in this subtitle shall be deemed to authorize an insurer to engage in transactions in naked options.

Section 16. KRS 304.7-170 is amended to read as follows:

(1) An insurer may invest in or loan upon production payments, or any interest therein evidenced by trust certificates or other instruments, payable from oil, gas or other hydrocarbons in producing properties located in the United States or the adjacent continental shelf if an obligation secured by and payable from such production payment or interest therein would qualify for investment under [~~paragraph (a) of~~] subsection (1) of KRS 304.7-080 as an obligation which is adequately secured and has investment qualities and characteristics wherein the speculative elements are not predominant. "Production payments" means rights to oil, gas or other hydrocarbons in place or as produced which entitle the owner thereof to a specified fraction or percentage of production.

(2) An insurer, either life or other than life, may not invest or have invested under this section and under KRS 304.7-140, 304.7-150, and 304.7-160, at any one time, more than ten percent (10%) of its assets.

Section 17. KRS 304.7-230 is amended to read as follows:

(1) An insurer may invest in (a) real or personal property owned either directly or indirectly by the insurer, or (b) obligations which are secured by assignments of leases of real or personal property (or rentals payable thereunder), provided that such real or personal property referred to in (a) and (b) of this subsection is leased to or the rentals payable thereunder are guaranteed by one (1) or more institutions ***qualified under*** [~~able to meet any one (1) of the earnings tests provided by~~] KRS 304.7-080***(1)***, a governmental authority whose obligations might be invested in accordance with KRS 304.7-060, or any combination thereof.

(2) An insurer may not invest or have invested under this section and KRS 304.7-130 at any one time more than twenty-five percent (25%) of its assets.

Section 18. KRS 304.7-350 is amended to read as follows:

(1) All obligations having a fixed term, rate and face value held by an insurer authorized to do business in this state may, if amply secured and not in default either as to principal or interest, be valued as follows: if acquired at face value, at the face value; if acquired above or below face value, on the basis of the purchase price adjusted annually to bring the value to face value at maturity and so as to yield in each year the effective rate of interest at which the purchase was made. The amortization provided for in this subsection may be calculated with reasonable approximations. The commissioner shall have the power to determine by rule the eligibility of investments for valuation under this subsection.

(2) (a) Securities, other than those referred to in subsection (1) of this section held by an insurer shall be valued, in the discretion of the commissioner, at their fair market value, or at their appraised value, or at prices determined by the commissioner as representing their fair market value.

(b) Preferred or guaranteed stock or shares while paying full dividends may be carried at a fixed value in lieu of market value, at the discretion of the commissioner and in accordance with such method of computation as he may approve.

(c) Securities qualifying under KRS 304.7-120 and 304.7-270 shall be valued at their fair value or net equity value, except that securities of a subsidiary insurance corporation as provided for in KRS 304.7-120 shall be valued either at cost or on a net equity basis, whichever is greater.

(3) (a) Real property acquired pursuant to a mortgage loan or contract for sale, in the absence of a recent appraisal deemed by the commissioner to be reliable, shall not be valued at an amount greater than the unpaid principal of the defaulted loan or contract at the date of such acquisition, together with any taxes and expenses paid or incurred in connection with such acquisition, and the cost of improvements thereafter made by the insurer and any amounts thereafter paid by the insurer on assessments levied for improvements in connection with the property.

(b) Other real property held by an insurer shall not be valued at an amount in excess of fair value as determined by recent appraisal deemed by the commissioner to be reliable. If valuation is based on an appraisal more than three (3) years old, the commissioner may at his discretion call for and require a new appraisal in order to determine fair value.

(c) Personal property acquired pursuant to chattel mortgages or security agreements made in accordance with subsection ***(10)***[~~(8)~~] of KRS 304.7-200 shall not be valued at an amount greater than the unpaid principal of the defaulted loan at the date of such acquisition, together with any taxes and expenses paid or incurred in connection with such acquisition, or the fair value of such property, whichever amount is the lesser.

The Committee Amendment No. 1 to **SB 113** is as follows:

Amend printed copy of **SB 113/GA** on page 16, line 20, by adding after "." the words "***This paragraph shall not apply to:***

1. Reverse mortgage loans secured by residential property which otherwise meet the requirements of KRS 304.7-200; or

2. Loans with scheduled monthly payments of interest if the real property is to be used for commercial purposes and shall not exceed seventy-five percent (75%) of the fair value."

On page 18, line 8 delete "***shall not***" and insert in lieu thereof "***which is***"

On page 18, line 9, delete "***be***"

On page 18, line 11, delete "***be***"

On page 18, line 13, delete "***permit***" and insert in lieu thereof "***permits***"

On page 18, line 16, after "***loan***" and before "." by inserting "***, shall satisfy the conditions of subsection (6) of this section***"

On page 19, line 7 by deleting "***difference***" and inserting in lieu thereof "***amount that the carrying value is in excess of eighty (80%) of the fair value of the property, or in the case of a leasehold estate, in excess of seventy-five percent (75%) of the fair value of the leasehold estate.***"

On page 19, by deleting lines 8 and 9 in their entirety.

The Committee on Banking and Insurance reported **HB 747** and **HB 785** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Consent Calendar.

HB 747, AN ACT relating to check cashing.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. KRS CHAPTER 368 IS ESTABLISHED AND A NEW SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 13 of this Act, unless the context requires otherwise:

(1) "Check" means any check, draft, money order, personal money order, travelers' check, or other instrument for the transmission or payment of money.

(2) "Commissioner" means the commissioner of the Department of Financial Institutions, or his duly designated representative.

(3) "Consideration" includes any premium charged for the sale of goods or services in excess of the cash price of the goods or services.

(4) "Department" means the Department of Financial Institutions.

(5) "Licensee" means a person duly licensed by the commissioner pursuant to Sections 1 to 12 of this Act.

(6) "Person" means any individual, partnership, association, joint stock association, trust, corporation, or other entity, but shall not include the United States government or the government of this Commonwealth.

SECTION 2. A NEW SECTION OF KRS CHAPTER 368 IS CREATED TO READ AS FOLLOWS:

Except as provided in Section 3 of this Act, no person shall engage in the business of cashing checks for a fee or other consideration without having first obtained a license. Any person engaged in that business on the effective date of this section may continue to engage in the business without a license until the commissioner shall have acted upon his application for a license if the application is filed within sixty (60) days after the effective date of this section.

SECTION 3. A NEW SECTION OF KRS CHAPTER 368 IS CREATED TO READ AS FOLLOWS:

The provisions of Sections 1 to 12 of this Act shall not apply to:

(1) Any bank, trust company, savings and loan association, savings bank, credit union, consumer loan company, industrial loan corporation, mortgage loan company, mortgage loan broker, or pawn broker which is chartered, licensed, or organized under the laws of this Commonwealth or under federal law and authorized to do business in this Commonwealth;

(2) Any person who cashes checks without receiving, directly or indirectly, any consideration or fee therefor; and

(3) Any person principally engaged in the retail sale of goods or services who, either as an incident to or independently of a retail sale, may from time to time cash checks for a fee or other consideration.

SECTION 4. A NEW SECTION OF KRS CHAPTER 368 IS CREATED TO READ AS FOLLOWS:

To qualify for a license, an applicant shall satisfy the following requirements:

(1) The applicant shall have a net worth of at least one hundred thousand dollars ($100,000), computed according to generally accepted accounting principles.

(2) The financial responsibility, financial condition, business experience, character, and general fitness of the applicant shall reasonably warrant the belief that the applicant's business will be conducted honestly, carefully, and efficiently. In determining whether this qualification has been met, the commissioner may review and approve:

(a) The business record and the capital adequacy of the applicant;

(b) The competence, experience, integrity, and financial ability of any person who:

1. Is a director, officer, supervisory employee, or five percent (5%) or more shareholder of the applicant; or

2. Owns or controls the applicant; and

(c) Any record, on the part of the applicant or any person referred to in subparagraph (b)1. and 2. of:

1. Any criminal activity;

2. Any fraud or other act of personal dishonesty;

3. Any act, omission, or practice which constitutes a breach of a fiduciary duty; or

4. Any suspension or removal, by any agency or department of the United States or any state, from participation in the conduct of any business.

SECTION 5. A NEW SECTION OF KRS CHAPTER 368 IS CREATED TO READ AS FOLLOWS:

Each application for a license shall be in writing and under oath to the department, in a form prescribed by the commissioner, and shall include the following:

(1) The legal name, residence, and business address of the applicant and, if the applicant is a partnership, association, or corporation, of every member, officer, and director thereof;

(2) The location at which the initial registered office of the applicant shall be located in this Commonwealth;

(3) The complete address of any locations at which the applicant proposes to engage in the business of cashing checks; and

(4) Other data and information the department may require with respect to the applicant, its directors, trustees, officers, members, or agents.

SECTION 6. A NEW SECTION OF KRS CHAPTER 368 IS CREATED TO READ AS FOLLOWS:

Each application for a license shall be accompanied by:

(1) An investigation fee of five hundred dollars ($500) for Kentucky residents and five hundred dollars ($500) for non-residents of Kentucky which shall not be subject to refund but which, if the license is granted, shall constitute the license fee for the first license year or part thereof;

(2) Audited financial statements prescribed by the commissioner; and

(3) Evidence that the applicant has complied or will comply with all workers and unemployment compensation laws of Kentucky.

SECTION 7. A NEW SECTION OF KRS CHAPTER 368 IS CREATED TO READ AS FOLLOWS:

(1) Upon the filing of an application in a form prescribed by the commissoner, accompanied by the fee and documents required in Section 6 of this Act, the department shall investigate to ascertain whether the qualifications prescribed by Section 4 of this Act have been satisfied. If the commissioner finds that the qualifications have been satisfied, and if he approves the documents, he shall issue to the applicant a license to engage in the business of cashing checks in this Commonwealth.

(2) The license shall be kept conspicuously posted in the place of business of the licensee and shall not be transferable or assignable.

(3) A license issued pursuant to this section shall remain in force and effect through the remainder of the fiscal year ended June 30 following its date of issuance, unless earlier surrendered, suspended, or revoked pursuant to Sections 1 to 12 of this Act.

SECTION 8. A NEW SECTION OF KRS CHAPTER 368 IS CREATED TO READ AS FOLLOWS:

Each licensee may be renewed for the ensuing twelve (12) months period upon the payment to the department annually on or before July 1 of each year a licensee fee of five hundred dollars ($500).

SECTION 9. A NEW SECTION OF KRS CHAPTER 368 IS CREATED TO READ AS FOLLOWS:

(1) The department may adopt reasonable administrative regulations, not inconsistent with law, for the enforcement of Sections 1 to 12 of this Act.

(2) To assure compliance with the provisions of Sections 1 to 12 of this Act, the department may examine the business, books, and records of any licensee, and each licensee shall pay an examination fee as established by administrative regulations of the department to cover the cost of the examination.

SECTION 10. A NEW SECTION OF KRS CHAPTER 368 IS CREATED TO READ AS FOLLOWS:

(1) Each licensee shall keep and use in its business any books, accounts, and records the department may require to carry into effect the provisions of Sections 1 to 12 of this Act and the administrative regulations issued hereunder. Every licensee shall preserve the books, accounts, and records for at least two (2) years.

(2) Any fee charged by a licensee for cashing a check shall be disclosed in writing to the bearer of the check prior to cashing the check, and the fee shall be deemed a service fee and not interest.

(3) Before a licensee shall deposit with any bank or other depository institution a check cashed by the licensee, the check shall be endorsed with the actual name under which the licensee is doing business.

(4) No licensee shall cash a check payable to a payee other than a natural person unless the licensee has previously obtained appropriate documentation from the board of directors or similar governing body of the payee clearly indicating the authority of the natural person or persons cashing the check, draft, or money order on behalf of the payee.

(5) No licensee shall indicate through advertising, signs, billhead, or otherwise that checks may be cashed without identification of the bearer of the check; and any person seeking to cash a check shall be required to submit reasonable identification as prescribed by the department. The provisions of this subsection shall not prohibit a licensee from cashing a check simultaneously with the verification and establishment of the identity of the presenter by means other than the presentation of identification.

(6) Within five (5) business days after being advised by the payor financial institution that a check, draft, or money order has been altered, forged, stolen, obtained through fraudulent or illegal means, negotiated without proper legal authority, or represents the proceeds of illegal activity, the licensee shall notify the department and the Commonwealth's attorney for the judicial circuit in which the check was received. If a check, draft, or money order is returned to the licensee by the payor financial institution for any of these reasons, the licensee shall not release the check, draft, or money order without the consent of the Commonwealth's attorney or other investigating law enforcement authority.

SECTION 11. A NEW SECTION OF KRS CHAPTER 368 IS CREATED TO READ AS FOLLOWS:

The commissioner may revoke a license on any ground on which he may refuse to grant a license or for violation of any provision of Sections 1 to 12 of this Act or if the licensee:

(1) Has committed any fraud, engaged in any dishonest activities, or made any misrepresentation;

(2) Has violated any provisions of Sections 1 to 12 of this Act or any administrative regulation issued pursuant thereto or has violated any other law in the course of its or his dealings as a licensee;

(3) Has made a false statement in the application for the license or failed to give a true reply to a question in the application;

(4) Has demonstrated his or its competency or untrustworthiness to act as a licensee.

SECTION 12. A NEW SECTION OF KRS CHAPTER 368 IS CREATED TO READ AS FOLLOWS:

No license shall be denied or revoked except after a hearing. The department shall give the applicant or licensee at least twenty (20) days' written notice of the time and place of a hearing by certified mail addressed to the principal place of business of the applicant or licensee. Any order of the commissioner denying or revoking a license shall state the grounds upon which it is based and shall not be effective until the twenty (20) days after written notice thereof has been sent by certified mail to the applicant or licensee at his principal place of business.

SECTION 13. A NEW SECTION OF KRS CHAPTER 368 IS CREATED TO READ AS FOLLOWS:

Any person who directly or through another violates or attempts to violate any provision of Sections 1 to 12 of this Act shall be guilty of a misdemeanor, and shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500) or imprisoned in the county jail for not more than twelve (12) months, or both. Each transaction in violation of Sections 1 to 12 of this Act and each day that a violation continues shall be a separate offense.

HB 785, AN ACT relating to teachers' retirement at regional universities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 161.220 TO 161.716 IS CREATED TO READ AS FOLLOWS:

(1) An optional retirement plan is hereby authorized for designated employees of public institutions of higher education who are also eligible for membership in the Kentucky Teachers' Retirement System

pursuant to KRS 161.220(4)(b) and 161.470(1). The purpose of the optional retirement plan shall be to provide suitable retirement and death benefits, while affording the maximum portability of these benefits to the eligible employees as an alternative to membership in the retirement system. Benefits shall be provided by the purchase of annuity contracts, fixed or variable in nature, or a combination thereof, at the option of the participant.

(2) The boards of regents of those institutions identified in KRS 161.220(4)(b) shall select two (2) but no more than three (3) companies from which to purchase contracts under the optional retirement plan. As criteria for this selection, the boards of regents shall consider, among other things, the following:

(a) The portability of the contracts offered or to be offered by a company, based on the number of states in which the company provides contracts under similar plans;

(b) The efficacy of the contracts in the recruitment and retention of employees for the various state public institutions of higher education;

(c) The nature and extent of the rights and benefits to be provided by the contracts for participating employees and their beneficiaries;

(d) The relation of the rights and benefits to the amount of contributions required;

(e) The suitability of the rights and benefits to the needs and interests of eligible employees and the various state public institutions of higher education; and

(f) The ability of the designated companies to provide the rights and benefits under those contracts.

(3) The boards of regents of the institutions identified in KRS 161.220(4)(b) shall implement an optional retirement plan no later than July 1, 1993.

SECTION 2. A NEW SECTION OF KRS 161.220 TO 161.716 IS CREATED TO READ AS FOLLOWS:

(1) Eligibility to participate in the optional retirement plan shall be determined by the board of regents of each of the state public institutions of higher education identified in KRS 161.220(4)(b). The employees of these institutions of higher education who are current members in the regular retirement plan of the Kentucky Teachers' Retirement System, but who have not met the requirements for vesting of pension benefits pursuant to KRS 161.580(2)(e), may make an irrevocable election to participate in the optional retirement plan within ninety (90) days after the implementation date of the retirement plan at their employer institution. Eligible employees who are initially employed on or after the implementation date of the optional retirement plan at their employer institution may make an irrevocable election to participate in the optional retirement plan within sixty (60) days after their employment date. These elections must be made in writing and filed with the appropriate officer of the employer institution, who shall forward a copy of the completed election to the Kentucky Teachers' Retirement System. Current nonvested members' elections shall be effective on the date they are filed. Elections of eligible employees hired on or after the implementation date of the optional retirement plan at their employer institution shall be effective on the date of their employment. If an eligible employee hired subsequent to the implementation date at the employer institution fails to make the election provided for in this section, he shall become a member of the regular retirement plan of the Kentucky Teachers' Retirement System.

(2) A current nonvested member in the Kentucky Teachers' Retirement System who elects participation in the optional retirement plan shall have his accumulated contributions transferred to the optional retirement plan. Within sixty (60) days of receipt of notice of this election, the Kentucky Teachers' Retirement System shall transfer the nonvested member's accumulated contributions directly to the optional retirement plan to purchase benefits in that plan, and the transfer shall not constitute a taxable distribution to the employee.

SECTION 3. A NEW SECTION OF KRS 161.220 TO 161.716 IS CREATED TO READ AS FOLLOWS:

(1) Any person electing to participate in the optional retirement plan shall be ineligible for membership in the regular retirement plan of the Kentucky Teachers' Retirement System for as long as he is employed in a position for which the optional retirement plan is available.

(2) Any person electing to participate in the optional retirement plan shall acknowledge in writing that the benefits payable to participants are not the obligation of the Commonwealth of Kentucky or the Kentucky Teachers' Retirement System, and that these benefits and other rights of the optional retirement plan are the liability and responsibility solely of the designated companies to whom contributions have been made.

(3) Benefits shall be payable to optional retirement plan participants or their beneficiaries by the designated companies in accordance with the contracts issued by each company, and the retirement plan provisions adopted by each public institution.

(4) Annuity contracts issued under the optional retirement plan and all rights of a participant in the optional retirement plan shall be exempt from any state, local, or municipal tax; assessment for the insolvency of any life, health, or casualty insurance company; any levy or sale, garnishment, or attachment; or any process whatsoever, and shall be unassignable except as otherwise specifically provided by the contracts offered under the optional retirement plan adopted by the respective public institutions of higher education.

Floor Amendments

Floor Amendment No. 3 to the Committee Substitute to **HB 468**, by Representative LeMaster:

Amend printed copy of **HB 468/HCS** on page 60, line 17, by deleting the amount "16,122,000" for fiscal year 1992-93 and inserting the amount "16,022,000" for fiscal year 1992-93.

Page 60, line 17, by deleting the amount "16,669,000" for fiscal year 1993-94 and inserting the amount "16,569,000" for fiscal year 1993-94;

Page 62, line 13, by deleting the amount "323,000" for fiscal year 1992-93 and inserting the amount "423,000" for fiscal year 1992-93;

Page 62, line 13, by deleting the amount "323,000" for fiscal year 1993-94 and inserting the amount "423,000" for fiscal year 1993-94;

Page 62, line 17, by deleting the words "(1) no funds for";

Page 62, line 18, by deleting the words, "non-merit positions; (2)", and inserting in lieu thereof: "(1)";

Page 63, line 2, by deleting the word "(3)", and inserting in lieu thereof: "(2)"

Recess

Representative Stumbo moved that the House recess for five minutes for a meeting of the Committee on Rules. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Report on Enrolled Bills

The Committee on Enrollment reported that **SB 79** has been examined and found correctly enrolled. Said Bill was read at length, compared and signed in open session by the Speaker, and ordered delivered to the Senate. (Time - 2:15 p.m.)

Representative Stumbo moved that the rules be suspended for a report of the Committee on Rules. Agreed.

Report of Committees (Continued)

The Committee on Rules reported that **HB 379**, **HB 436**, **HB 647** and **HB 495** have been posted for passage in the Orders of the Day for March 12, 1992.

The Committee on Rules reported that the following Bills have been recommitted:

Appropriations and Revenue: **HB 186**, **HB 620**, **HB 685**

Health and Welfare: **HB 456**

Floor Amendments (Continued)

Floor Amendment No. 4 to the Committee Substitute to **HB 468**, by Representative Lear:

Amend printed copy of **HB 468/HCS** on Page 189, after line 12 and before line 13 insert the following:

"18. The General Assembly finds and declares that current and prospective fiscal and economic conditions require increased efficiency in state operations, necessitate the redirection of limited public resources to provide for critical unmet needs in primary and secondary education, and require prudent fiscal policies to restore stability to the financial framework of state government.

In consequence of the fiscal conditions, it is hereby ordered and enacted that the following actions shall be effected, notwithstanding any provisions in this Act or statutes to the contrary;

1. No general or road fund moneys shall be allotted or expended for capital projects identified in Part II, excepting the minimum requirements for life safety and structural integrity. Local Government Economic Development Program Fund, reauthorized capital and equipment projects are exempt;

2. General fund and road fund appropriations for debt service or lease payments for newly-authorized bond projects are lapsed and shall not be allotted. Reduced debt service requirements resulting from refinancing of previously issued bonds shall lapse;

3. By December 1, 1993, the Governor shall effect a ten percent (10%) reduction in the permanent full-time state personnel complement of classified and unclassified employees based upon January 30, 1992, filled positions.

Workforce reduction shall be implemented according to the following methods:

a. Separating employees shall not be replaced and any vacated position shall be terminated unless the Governor certifies by proclamation that a position is essential to the minimal constitutional level of service and operation;

b. Appropriations for the compensation of non-merit positions are restricted to the following: fund one secretary in a program cabinet; one head of an independent agency or equivalent office; one department head or equivalent officer; one fiscal or administrative unit officer; and employees who hold medical, allied health, and social welfare board certification; one division director or equivalent officer for each increment of one hundred employees in central administration and management operations. No moneys are appropriated for non-merit positions in addition to the positions enumerated in this section. Funds for all positions shall lapse;

c. Termination of employees in the classified employees must conform to the provisions of KRS 18A.113, 18A.1131, and 18A.1132;

d. Employment reduction due to voluntary early retirement provisions in this section; and

e. Excess general fund or road fund moneys produced by these methods shall lapse unless otherwise provided by this section.

4. KRS 61.596 is suspended and modified to read as follows:

a. Members of the Kentucky Employees Retirement System under KRs 61.596(1) and participants in the State Police Retirement System hired on or before January 1, 1992, who elect to retire between July 1, 1992, and December 1, 1993, are eligible to participate in this voluntary early retirement option program. Reemployed retired persons shall not be eligible for this program.

b. A member electing to participate shall declare and furnish written notice to the Kentucky Employees Retirement System at least ninety days prior to his effective retirement date.

c. The member electing to retire shall receive a lump sum payment equating to twenty-five (25) percent of the unexpended portion of the value of his salary and accrued sick leave to be computed for the period between the declared retirement date and June 30, 1994. The remaining seventy-five (75) percent of this value shall be contributed as may be required by the employing agency to satisfy the combined employer and employee cost of this additional service credit.

d. A member exercising this option shall be deemed to and receive service credit for the period of time between the declared retirement date and June 30, 1994, in recognition of service to the Commonwealth.

e. The retirement system's actuary shall determine the actuarial cost of additional service credit provided in this section for each terminating employee and the cost shall be paid by the agency from the unexpended appropriations which accrue from the vacated position during the balance of the fiscal biennium or as otherwise provided in this Act. Moneys shall be credited as provided in KRS 61.596. Any general fund or road fund appropriation in excess of these requirements shall lapse.

5. General fund moneys which accrue or lapse pursuant to subsections (1) and (2) of this section shall be provided and are hereby appropriated for the following purposes:

a. Fiscal Year 1992-93,

- $6,000,000 for the mandatory performance-based student testing program.
- Up to $71,400,000 to the Support Excellence in Education Program which sum, in addition to other appropriations in this Act, will provide for full funding requirements.
- Any balance shall be credited to the General Fund Surplus Account not required for provisions of subsection (4).

b. Fiscal Year 1993-94,

- $6,000,000 for the mandatory performance-based student testing program.
- Up to $181,800,000 to the Support Excellence in Education Program which sum, in addition to other appropriation in this Act, will provide for full funding requirements.
- Any balance shall be credited to the general fund surplus account not required for provisions of subsection (4).

6. Road fund moneys which accrue or lapse pursuant to subsections (1) to (4) of this section shall be provided and are hereby appropriated in fiscal year 1992-93 and fiscal year 1993-94 for the following purposes:

First, fund additional costs for road fund supported retirees under the early retirement option in subsection (4) incurred by the Transportation Cabinet based upon actuarial cost determinations.

Second, finance the Deferred Projects Program, as defined in this Act, and then, to advance and complete projects in the biennial road construction program including all eligible Federal Aid projects or match projects in the Economic Development Road Program.

Third, lapse funds shall be applied within the fiscal year accrued.

7. General fund moneys which accrue or lapse from the applications of subsection (4) shall be provided and are hereby appropriated for the following purposes:

a. Fiscal Year 1992-93,

- First, replace road fund appropriations to agencies in the Justice and Revenue Cabinets in this Act, in fiscal year 1992-93, then
- Fund the provisions of subsection (5) as may be necessary,
- Any balance of funds shall be credited to the General Fund Surplus Account.

b. Fiscal Year 1993-94,

- First, replace road fund appropriations to agencies in the Justice and Revenue Cabinets in this Act, in fiscal year 1993-94, then
- Fund the provisions of subsection (5) as may be necessary,
- Any balance of funds shall be credited to the General Fund Surplus Account.

8. The Commission on Government Efficiency is created and attached to the Legislative Research Commission. The commission shall be a permanent commission established to provide ongoing recommendations to the Governor and the Kentucky General Assembly and to present a final biennial report to the the Governor and Legislative Research Commission on or before August 1 of each year preceding a Regular Session of the General Assembly.

a. The commission shall be comprised of members as named or appointed as follows:

(1) Six (6) members to be appointed by the Governor;

(2) The Commissioner of Personnel;

(3) The Auditor of Public Accounts or his designee;

(4) The presiding chairman of the Program Review and Investigations Committee.

(5) Three (3) members to be appointed by the President Pro Tempore of the Senate to include one (1) member of the minority party.

(6) Three (3) members appointed by the Speaker of the House of Representatives to include one (1) member of the minority party.

The members listed in subsections (1) to (6) shall be appointed for a term of two (2) years, and may be reappointed.

(7) Vacancies shall be filled in the same manner as the original appointments, and for the balance of the term of the vacated members.

(8) A chairman shall be elected by the membership of the commission. The chairman shall serve a term of two (2) years, and may be reelected for one additional term. Commission members who are not state employees shall be reimbursed for all reasonable and necessary expenses.

b. The commission shall conduct ongoing studies of the agencies and instrumentalities of state government and develop alternative proposals to reduce the size of state government, including reductions in the number and cost of state employees, operating costs, and capital expenditures. The commission shall explore ways to consolidate, restructure, and realign functions of the departments of state government and streamline administration and services through functional integration of similar operations.

c. All agencies of state government, its staff, and employees shall provide the commission with necessary information for the performance of its duties, and shall afford the commission and its staff ample opportunity to observe the agency's operations.

d. There is appropriated $250,000 for fiscal year 1992-93 and $235,000 for fiscal year 1993-94 for the operation of the commission.

9. The Secretary of Finance is authorized and directed to implement the provisions of this section and prepare and transmit on a quarterly basis, financial statements and programmatic impact reports related to each provision and subsection of this section to the Governor, State Budget Director, and the Legislative Research Commission."

Orders of the Day

HB 616, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Richardson moved the adoption of the Committee Substitute to **HB 616**. Agreed.

Representative Richardson moved that **HB 616**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 92, Nays 0. (See March 10, 1992 roll call on **HB 616** - Appendix.)

HB 616, by way of Committee Substitute, was passed and the title agreed to.

Representative Richardson moved that the vote by which **HB 616**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

Floor Amendments (Continued)

Floor Amendment No. 1 to the Committee Substitute to **HB 830**, by Representative LeMaster:

Amend printed copy of **HB 830/HCS** on page 2, lines 17-19, by deleting them in their entirety; and

On page 2, line 20, by deleting "*(7)*" and inserting and underlining in lieu thereof "*(6)*"; and

On page 2, line 24, by deleting "*(8)*" and inserting and underlining in lieu thereof "*(7)*"; and

On page 3, line 1, by deleting "*(9)*" and inserting and underlining in lieu thereof, "*(8)*".

Orders of the Day (Continued)

HB 617 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Richardson moved that **HB 617** be passed.

On the roll call the vote was: Yeas 76, Nays 16. (See March 10, 1992 roll call on **HB 617** - Appendix.)

HB 617 was passed and the title agreed to.

Representative Richardson moved that the vote by which **HB 617** was passed be reconsidered and said motion be placed on the table. Agreed.

Floor Amendments (Continued)

Floor Amendment No. 4 to the Committee Substitute to **HB 433**, by Representative Lewis:

Amend printed copy of **HB 433/HCS** on page 7, after line 1, by adding:

"Section 5. The following KRS section is repealed:

304.3-315 Annual report of liability and health insurance experience by insurers."

Floor Amendment No. 3 to the Committee Substitute to **HB 198**, by Representative Bowling:

Amend printed copy of **HB 198/HCS** on page 2, line 2, by deleting the following:

"***and actual cash***"; and

On page 2, line 8, after the word "***allowance***" and before the "***,***" by inserting the following:

"***on a motor vehicle previously registered in this state which is sold in this state***"; and

On page 2, line 10, after the "." by deleting the remainder of the line; and

On page 2, line 11, by deleting lines 11 through 14 in their entirety.

Floor Amendment No. 5 to the Committee Substitute to **HB 468**, by Representative Walker:

Amend printed copy of **HB 468/HCS** on Page 189, after line 12 and before line 13 insert the following:

"18. The General Assembly finds and declares that the fiscal conditions of the Commonwealth require the following actions, notwithstanding other provisions in the Act:

(1) Projects identified in Part II of this Act shall not be authorized or reauthorized in the 1992-94 fiscal biennium, except projects identified for the Department of Education, the School Facilities Construction Commission and the minimum requirements for life safety or public health and structural integrity.

(2) Moneys from any fund source for projects specified in subsection (1) shall not be allotted but shall lapse to the credit of the respective fund source surplus account.

(3) Appropriations for debt service or lease payments for projects specified in subsection (1) shall lapse pursuant to provisions in the Act.

(4) The Secretary of Finance is ordered and directed to implement the provisions of this Act and file quarterly reports with the Governor and the Legislative Research Commission of all actions under this section."

Orders of the Day (Continued)

HB 551, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lear moved the adoption of Committee Amendment No. 1 to **HB 551**. Agreed.

Representative L. Clark moved that **HB 551**, as amended, be passed.

On the roll call the vote was: Yeas 93, Nays 1. (See March 10, 1992 roll call on **HB 551** - Appendix.)

HB 551, as amended, was passed and the title agreed to.

Representative L. Clark moved that the vote by which **HB 551**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Floor Amendments (Continued)

Floor Amendment No. 1 to the Committee Substitute to **HB 647**, by Representative Brown:

Amend printed copy of **HB 647/HCS** on page 18, line 1, after "rate" by inserting "***up to but not to exceed***" and by placing brackets around and striking through the first "of" on the line; and

On page 18, line 2, after "gallon" by inserting "."; and

On page 18, line 12, after "~~($10,000,000).~~" by inserting "]"; and

On page 18, lines 13, 14, and 15, by removing the strikethroughs; and

On page 18, line 16, by removing the strikethroughs of ~~quarter.~~ and by inserting "[" before the first "~~The~~"; and

On page 18, line 19, after "~~applies~~" by moving the closing bracket to include the "." and then striking through the "."; and

On page 19, after line 23, by inserting:

"Section 8. Whereas, the clean up of underground storage tanks is presently being undertaken, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor."

Floor Title Amendment to the Committee Substitute to **HB 647**, by Representative Brown:

Amend printed copy of **HB 647/HCS** by amending the title to read as follows: "AN ACT relating to environmental protection and declaring an emergency."

Floor Amendment No. 8 to the Committee Substitute to **HB 241**, by Representative Lear:

Amend printed copy of **HB 241/HCS** on page 22, lines 14 through 26, to delete the same and to insert the following in lieu thereof:

"(1) General rule. For the purpose of reflecting upon the credibility of a witness, evidence that the witness has been convicted of a crime shall be admitted if elicited from the witness or established by public record if denied by the witness, but only if:

(a) The crime was punishable by death or imprisonment for one (1) year or more under the law under which the witness was convicted, or the crime involved dishonesty or false statement, regardless of the punishment; and

(b) The court determines that the probative value of admitting this evidence on the issue of credibility outweighs its prejudicial effect on the opposing party.

The identity of the crime upon which conviction was based may not be disclosed upon cross-examination unless the witness has denied the existence of the conviction. However, a witness against whom a conviction is admitted under this provision may choose to disclose the identity of the crime upon which the conviction is based.

(2) Time limit. Evidence of a conviction under this rule is not admissible if a period of more than ten (10) years has elapsed since the date of the conviction unless the court determines that the probative value of the conviction substantially outweighs its prejudicial effect.

(3) Effect of pardon, annulment, or certificate of rehabilitation. Evidence of a conviction is not admissible under this rule if:

(a) The conviction has been the subject of a pardon, annulment, certificate of rehabilitation, or other equivalent procedure based on a finding of the rehabilitation of the person convicted, and that person has not been convicted of a subsequent crime which was punishable by death or imprisonment of one (1) year or more; or

(b) The conviction has been the subject of a pardon, annulment, or other equivalent procedure based on a finding of innocence.

[~~(4) Juvenile adjudications. Evidence of juvenile adjudications is generally not admissible under this rule. The court may, however, in a criminal case allow evidence of a juvenile adjudication of a witness other than the accused if conviction of the offense would be admissible to attack the credibility of an adult and the court is satisfied that admission in evidence is necessary for a fair determination of the issue of guilt or innocence.~~

~~(5) Pendency of appeal. The pendency of an appeal therefrom does not render evidence of a conviction inadmissible. Evidence of the pendency of an appeal is admissible.~~]"; and

on page 23, lines 1 through 26, to delete the same; and

on page 24, lines 1 through 10, to delete the same.

Orders of the Day (Continued)

HB 613 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Smith moved that **HB 613** be passed.

On the roll call the vote was: Yeas 94, Nays 4. (See March 10, 1992 roll call on **HB 613** - Appendix.)

HB 613 was passed and the title agreed to.

Representative B. Smith moved that the vote by which **HB 613** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 526, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved the adoption of the Committee Substitute to **HB 526**. Agreed.

Representative Clarke moved that **HB 526**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 71, Nays 17. (See March 10, 1992 roll call on **HB 526** - Appendix.)

HB 526, by way of Committee Substitute, was passed and the title agreed to.

Representative Clarke moved that the vote by which **HB 526**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 521, with Committee Amendment and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved the adoption of Committee Amendment No. 1 to **HB 521**. Agreed.

Representative Clarke moved that **HB 521**, as amended, be passed.

On the roll call the vote was: Yeas 55, Nays 28. (See March 10, 1992 roll call on **HB 521** - Appendix.)

HB 521, as amended, was passed and the title agreed to.

Representative Clarke moved that the vote by which **HB 521**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 523, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved the adoption of the Committee Substitute to **HB 523**. Agreed.

Representative Clarke moved that **HB 523**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 63, Nays 26. (See March 10, 1992 roll call on **HB 523** - Appendix.)

HB 523, by way of Committee Substitute, was passed and the title agreed to.

Representative Clarke moved that the vote by which **HB 523**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

Floor Amendments (Continued)

Floor Amendment No. 1 to **HB 637**, by Representative Overstreet:

Amend printed copy of **HB 637** on page 10, line 15 by inserting the following:

"SECTION 6. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

The Cabinet for Human Resources shall pay the sum of ten dollars ($10) to an institution for each completed affidavit of paternity form returned to the local registrar by the institution, pursuant to Section 2 of this Act, limited to the appropriated funds for the purpose of Section 2 of this Act."

Floor Amendment No. 5 to the Committee Substitute to **HB 433**, by Representative Morris:

Amend printed copy of **HB 433/HCS** on page 6 after line 15 by inserting the following:

"Section 4.KRS 304.33-330 is amended to read as follows:

(1) Setoffs allowed in general. Mutual debt or mutual credits between the insurer and another person in connection with any action or proceeding under this subtitle shall be set off and the balance only shall be allowed or paid, except as provided in subsection (2) of this section.

(2) Exceptions. No setoff or counterclaim shall be allowed in favor of any person where:

(a) The obligation of the insurer to the person would not at the date of the filing of a petition for liquidation entitle him to share as a claimant in the assets of the insurer;

(b) The obligation of the insurer to the person was purchased by or transferred to the person with a view to its being used as a setoff;

(c) The obligation of the person is to pay an assessment levied against the members or subscribers of the insurer, or is to pay a balance upon a subscription to the capital stock of the insurer, or is in any other way in the nature of a capital contribution[~~; or~~

~~(d) The obligation of the person is to pay premiums, whether earned or unearned, to the insurer~~]."; and

On page 6, line 16, after "SECTION" by deleting *"4"* and inserting in lieu thereof ***"5"***.

Floor Amendment No. 1 to **HB 584**, by Representative Stumbo:

Amend printed copy of **HB 584** on page 6, line 12, after "(10)" by inserting the following: "***Persons or entities engaged in the transportation of coal or coal by-products and whose tonnage of coal hauled exceeds sixty percent (60%) of their total tonnage transported may apply for a permit to engage in the transportation***

of other natural resources for which a severance tax is levied at extended weights. The person or entity seeking a permit shall possess a coal haul decal issued pursuant to this section. The transportation of any natural resources at the weights prescribed in subsection (4) of this section shall be limited to the extended weight coal or coal by-product haul road system. No additional fee shall be prescribed for the permit.

(11)"; and

On page 6, by deleting lines 17 through 26 in their entirety; and

On page 7, by deleting lines 1 through 11 in their entirety.

Orders of the Day (Continued)

HB 591 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved that **HB 591** be passed.

On the roll call the vote was: Yeas 96, Nays 0. (See March 10, 1992 roll call on **HB 591** - Appendix.)

HB 591 was passed and the title agreed to.

Representative Clarke moved that the vote by which **HB 591** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 608 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved that **HB 608** be passed.

On the roll call the vote was: Yeas 89, Nays 5. (See March 10, 1992 roll call on **HB 608** - Appendix.)

HB 608 was passed and the title agreed to.

HB 49, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Sheehan moved the adoption of the Committee Substitute to **HB 49**. Agreed.

Representative Sheehan moved that **HB 49**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 98, Nays 0. (See March 10, 1992 roll call on **HB 49** - Appendix.)

HB 49, by way of Committee Substitute, was passed and the title agreed to.

Representative Sheehan moved that the vote by which **HB 49**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 319 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Mack moved that **HB 319** be passed.

On the roll call the vote was: Yeas 96, Nays 0. (See March 10, 1992 roll call on **HB 319** - Appendix.)

HB 319 was passed and the title agreed to.

Representative Mack moved that the vote by which **HB 319** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 562 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Morris moved that **HB 562** be passed.

On the roll call the vote was: Yeas 96, Nays 0. (See March 10, 1992 roll call on **HB 562** - Appendix.)

HB 562 was passed and the title agreed to.

Representative Morris moved that the vote by which **HB 562** was passed be reconsidered and said motion be placed on the table. Agreed.

Floor Amendments (Continued)

Floor Amendment No. 1 to the Committee Substitute to **HB 185**, by Representative Little:

Amend printed copy of **HB 185/HCS** on page 1, line 11, after "***book***" by inserting "***used by the Revenue Cabinet for valuation of motor vehicles***".

Floor Amendment No. 1 to **HB 589**, by Representative Mason:

Amend printed copy of **HB 589** on page 1, lines 20 and 21, to delete the same and to insert in lieu thereof:

"***(c) Permit state employees to engage in disaster and emergency response activities when a state of emergency has been declared by the Governor, and the services of state employees have been requested by the local disaster and emergency services organization to the division of disaster and emergency services. State employees assigned to, or volunteering for, the duty shall be considered as being employed by the agency by which they are regularly employed and shall continue to receive salary and benefits while engaging in disaster and emergency services work. The division of disaster and emergency services shall be responsible for determining essential need of individual employee and the duration of need. Employee's supervisor shall retain authority to permit absence. State employees receiving compensation for their services through other state funding programs, such as members of the Kentucky National Guard placed on state active duty, shall be placed in an appropriate leave status to prevent receiving dual compensation.***"; and

on page 2, lines 1 through 12, to delete the same; and

on page 2, line 19, to delete "***and (2)***"; and

on page 2, line 19, to delete "***subsections***" and insert in lieu thereof "***subsection***".

Floor Amendment No. 1 to **HB 627**, by Representative Mason:

Amend printed copy of **HB 627** on page 2, line 1, after "wells." by adding,

"***The power of condemnation granted by this section shall not apply to lands or easements sought to be acquired after the effective date of this Act, unless the person or corporation is a utility, as defined in KRS 278.010(3), and unless the construction or extension of facilities for which the lands or easements are to be acquired has been approved by the Public Service Commission.***"

Floor Amendment No. 2 to **HB 627**, by Representative Little:

Amend printed copy of **HB 627** on page 1, line 7, insert the word "***shall***" before the word "may" and place brackets before and after and strike through the word "may"; and

On page 1, line 8, after "so," place an opening bracket and strike through the remaining words in that line; and

On page 1, strike through lines 9 through 21 in their entirety; and

On page 2, strike through lines 1 and 2; and

On page 2, line 3, place a closing bracket after "Kentucky" and before the "." and strike through the words on that line; and

On page 1, line 8, after "so," insert the following: "***deposit to the credit of the surface owner in the office of circuit clerk in the county in which the well is located a sum which the operator deems reasonable compensation. The surface owner may withdraw the deposit pending final disposition of the matter. The remedy of the surface owner shall be an action in the Circuit Court, for reasonable compensation, to be filed within ninety (90) days after the money is deposited by the operator with the circuit clerk. If no action is filed within that time, the sum of money deposited shall be deemed to be reasonable compensation. If reasonable compensation, as determined by the Circuit Court, exceeds the sum deposited with the circuit clerk, there shall be added to the compensation due the surface owner, a penalty of twenty percent (20%) of the difference between the amount deposited with the circuit clerk and the amount of the judgment. If the amount deposited with the circuit clerk is determined by the Circuit Court to be unreasonable, the surface owner shall be entitled to reasonable attorney's fees; but if the operator relied upon a third party appraiser's assessment of damages, there shall be no award of attorney's fees. If the award is less than the amount deposited with the circuit clerk, the surface owner shall repay the difference to the operator***"; and

On page 2, add the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO READ AS FOLLOWS:

The utility company shall offer each surface owner the right of a tap or hookup for natural gas from any gathering line which crosses the surface owner's property. The cost of the tap or hookup shall be borne by the consumer."

Orders of the Day (Continued)

HB 524, with Committee Substitute, Title Amendment and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved the adoption of the Committee Substitute to **HB 524**. Agreed.

Representative Morris moved the adoption of Floor Amendment No. 1 to **HB 524**. Rejected.

Representative Clarke moved that **HB 524**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 84, Nays 10. (See March 10, 1992 roll call on **HB 524** - Appendix.)

HB 524, by way of Committee Substitute, was passed and the title agreed to.

Representative Clarke moved that the vote by which **HB 524**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 683 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burch moved that **HB 683** be passed.

On the roll call the vote was: Yeas 92, Nays 3. (See March 10, 1992 roll call on **HB 683** - Appendix.)

HB 683 was passed and the title agreed to.

Representative Burch moved that the vote by which **HB 683** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 464, with Committee Amendment and Floor Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Ford moved that **HB 464** be passed.

Representative Deskins moved the adoption of Floor Amendment No. 1 to **HB 464**.

On the roll call the vote was yeas 39—Adkins, Allen, Ark, Ballard, Barrows, Bentley, Bowling, Brown, Burch, Collins, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Farley, Gedling, Geveden, Gray, Hourigan, Keith, Little, Mack, Maggard, Mason, McElroy, Mullinix, Nelson, Noe, Nunn, Overstreet, Pritchett, Rapier, Reinhardt, Ridley, Sheehan, T. Smith, Worthington, Zimmerman. Nays 51—Ackerson, Arnold, Blandford, Bronger, Bruce, Callahan, Casebier, Castleman, L. Clark, P. Clark, Clarke, Coleman, Farrow, Ford, Freibert, Gee, Gregory, Hancock, J. Harper, K. Harper, Hatcher, Heleringer, Jensen, Johnson, Jones, Kerr, Lear, LeMaster, Lile, Long, Lyne, Moberly, Napier, Noland, Northup, Palumbo, Ravenscraft, Richards, Riner, Sanders, Scorsone, B. Smith, Strong, Stumbo, Toby, Todd, Turner, Walker, Ward, Williams, Yates.

Floor Amendment No. 1 to **HB 464** was rejected.

On the roll call the vote was: Yeas 33, Nays 52. (See March 10, 1992 roll call on **HB 464** - Appendix.)

HB 464 was defeated.

Representative Ford moved that the vote by which **HB 464** was defeated be reconsidered and said motion be placed on the table. Agreed.

HB 462, with Floor Amendment and Floor Title Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cyrus moved that **HB 462** be passed.

Representative Overstreet moved the adoption of Floor Amendment No. 1 to **HB 462**.

Representative Lear inquired whether Floor Amendment No. 1 to **HB 462** violates the Statutes.

The Speaker ruled that the language of Floor Amendment No. 1 to **HB 462** is not technical and does not violate the Statutes.

Representative Farrow inquired whether Floor Amendment No. 1 is germane to **HB 462**.

The Speaker ruled that Floor Amendment No. 1 is not germane to **HB 462**.

On the roll call on the passage of **HB 462** the vote was: Yeas 93, Nays 3. (See March 10, 1992 roll call on **HB 462** - Appendix.)

HB 462 was passed and the title agreed to.

Representative Cyrus moved that the vote by which **HB 462** was passed be reconsidered and said motion be placed on the table. Agreed.

Floor Amendments (Continued)

Floor Amendment No. 6 to the Committee Substitute to **HB 468**, by Representative B. Smith:

Amend printed copy of **HB 468/HCS** on page 27, line 4, by deleting the amount "1,699,236,200" and inserting in lieu thereof the amount "1,703,236,200"; and adjusting accordingly thereafter.

Page 27, line 4, by deleting the amount "1,673,535,100" and inserting in lieu thereof the amount "1,677,535,100"; and adjust accordingly thereafter.

Page 32, line 13, after "schools", by adding the following:

"Included in the above appropriation is $4,000,000 in fiscal year 1992-93 and $4,000,0900 in fiscal year 1993-94 to provide for the higher per pupil cost of conducting vocational educational programs."

Floor Amendment No. 7 to the Committee Substitute to **HB 468**, by Representative Jensen:

Amend printed copy of **HB 468/HCS** on page 41, line 1, by deleting the amount "54,100,000" and inserting in lieu thereof the amount "57,100,000", and adjusting accordingly thereafter.

Page 189, after line 12 and before line 13, insert the following:

"18. There is appropriated from the General Fund $3,000,000 in fiscal year 1993-94 to the Kentucky Teachers' Retirement System in addition to the appropriation provided in Part I.

Notwithstanding any provision to the contrary in Part I, Section 4, for the Board of Elections, no appropriation shall be made available in the event of passage of campaign financing reform legislation.

The Secretary of Finance and Administration is directed to implement these provisions and report any activities to the Legislative Research Commission."

Floor Amendment No. 8 to the Committee Substitute to **HB 468**, by Representative Keith:

Amend printed copy of **HB 468/HCS** on page 41, line 1, by deleting the amount "54,000,000" and inserting in lieu thereof the amount "64,000,000"; and adjusting accordingly thereafter.

Page 41, line 1, by deleting the amount "54,100,000" and inserting in lieu thereof the amount "64,100,000"; and adjusting accordingly thereafter.

Page 41, line 19, by deleting the amount "$20,000,000" for fiscal year 1992-93 and inserting the amount "$30,000,000" for fiscal year 1992-93;

Page 41, line 20, by deleting the amount "$20,000,000" for fiscal year 1993-94 and inserting the amount "$30,000,000" for fiscal year 1993-94.

Orders of the Day (Continued)

Representative Stumbo moved that the rules be suspended for the adoption of Committee Title Amendment to **HB 524**. Agreed; and the title was agreed to.

Representative Stumbo moved that the vote by which **HB 524**, by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 502, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Noe moved the adoption of the Committee Substitute to **HB 502**. Agreed.

Representative Noe moved that **HB 502**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 56, Nays 40. (See March 10, 1992 roll call on **HB 502** - Appendix.)

HB 502, by way of Committee Substitute, was passed and the title agreed to.

Representative Noe moved that the vote by which **HB 502**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 530, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Bentley moved the adoption of Committee Amendment No. 1 to **HB 530**. Agreed.

Representative Bentley moved that **HB 530**, as amended, be passed.

On the roll call the vote was: Yeas 95, Nays 0. (See March 10, 1992 roll call on **HB 530** - Appendix.)

HB 530, as amended, was passed and the title agreed to.

Representative Bentley moved that the vote by which **HB 530**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported that **HB 64**, **HB 117**, **HB 287**, **HB 339** and **HB 384** have been examined and found correctly enrolled. Said Bills were read at length, compared and signed in open session by the Speaker, and ordered delivered to the Senate. (Time - 3:27 p.m.)

Orders of the Day (Continued)

HB 684, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Jensen moved the adoption of Committee Amendment No. 1 to 684. Agreed.

Representative Jensen moved that **HB 684**, as amended, be passed.

On the roll call the vote was: Yeas 92, Nays 0. (See March 10, 1992 roll call on **HB 684** - Appendix.)

HB 684, as amended, was passed and the title agreed to.

Representative Jensen moved that the vote by which **HB 684**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 686, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burch moved the adoption of Committee Amendment No. 1 to **HB 686**. Agreed.

Representative Burch moved that **HB 686**, as amended, be passed.

On the roll call the vote was: Yeas 90, Nays 0. (See March 10, 1992 roll call on **HB 686** - Appendix.)

HB 686, as amended, was passed and the title agreed to.

Representative Burch moved that the vote by which **HB 686**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 690 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burch moved that **HB 690** be passed.

On the roll call the vote was: Yeas 93, Nays 0. (See March 10, 1992 roll call on **HB 690** - Appendix.)

HB 690 was passed and the title agreed to.

Representative Burch moved that the vote by which **HB 690** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 727, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Zimmerman moved the adoption of Committee Amendment No. 1 to **HB 727**. Agreed.

Representative Zimmerman moved that **HB 727**, as amended, be passed.

On the roll call the vote was: Yeas 89, Nays 0. (See March 10, 1992 roll call on **HB 727** - Appendix.)

HB 727, as amended, was passed and the title agreed to.

Representative Zimmerman moved that the vote by which **HB 727**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HJR 124, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Rapier moved that **HJR 124** be adopted.

On the roll call the vote was: Yeas 91, Nays 0. (See March 10, 1992 roll call on **HJR 124** - Appendix.)

HJR 124 was adopted.

Representative Rapier moved that the vote by which **HJR 124** was adopted be reconsidered and said motion be placed on the table. Agreed.

HB 498, with Senate Committee Substitute and Senate Floor Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Substitute to **HB 498** is as follows:

HB 498, AN ACT relating to grain.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 251 IS CREATED TO READ AS FOLLOWS:

(1) A forward pricing (delayed pricing) contract means an executory contract which shall be in a form and contain terms the department shall adopt by administrative regulation pursuant to KRS 251.480. The forward pricing (delayed pricing) contract shall be executed by the licensed grain establishment and the producer, or by their authorized representatives, not later than thirty (30) days after the first delivery of grain is received under the forward pricing (delayed pricing) contract. The licensed grain establishment shall maintain a file of executed forward pricing (delayed pricing) contracts that are available for inspection at any reasonable time by the department. The licensed grain establishment shall keep records and ledgers which the department deems necessary to document the licensed grain establishment's obligations to the producer under a forward pricing (delayed pricing) contract. The licensee shall provide reports, forms, and other evidence the department shall adopt by administrative regulation to document the storage and marketing of grain under the forward pricing (delayed pricing) contract.

(2) Except as otherwise provided in subsection (3) of this section, a licensed grain establishment which purchases grain under a forward pricing (delayed pricing) agreement shall at all times maintain the grain in storage, rights in the grain, proceeds from the sale of grain, or a combination of the grain, rights, and proceeds equal to eighty percent (80%) of the value of the licensed grain storage establishment's unpaid obligations for all grain that it has purchased and for which delivery has been made under a forward pricing (delayed pricing) contract. The obligation shall be secured or represented by one (1) or more of the following:

(a) Maintenance of the grain in storage in the licensed grain establishment's warehouse or storage facilities;

(b) Rights in grain as evidenced by a receipt or ticket for storage of the grain under a bailment agreement in another warehouse approved by the department; or

(c) Proceeds from the sale of grain as evidenced or represented by one (1) or more of the following:

1. Funds held in a separate account for the benefit of all unpaid producers of grain delivered under a forward pricing (delayed pricing) contract with the separate account existing in a state or federal licensed financial institution or a lending agency of the federal Farm Credit Administration;

2. Short-term investments held in time accounts for the benefit of all unpaid producers of grain delivered under a forward pricing (delayed pricing) contract with state or federal licensed financial institutions or a lending agency of the federal Farm Credit Administration;

3. Balances in commodity margin accounts; or

4. Other evidence of unencumbered assets as may be acceptable to the department, including an irrevocable letter of credit or surety bond.

(3) The licensed grain establishment handler account required by subsection (2) of this section shall be deemed grain or the proceeds for grain arising from unpaid obligations for all grain purchased and for which delivery has been made under a forward pricing (delayed pricing) contract. The Commissioner shall have a priority lien upon the property or assets required to be maintained in the licensed grain establishment's grain handler account as provided in subsection (2) of this section. The Commissioner shall, when he questions a licensed grain establishment's ability to pay producers for grain purchased, or when he determines that the licensed establishment does not have sufficient net worth to satisfy indebtedness, after giving notice to the owner or agent of the owner, prohibit the transfer or disbursement of any grain, property, or assets maintained in the licensed grain establishment handler account, except for the satisfaction of unpaid obligations

for grain that has been purchased and for which delivery has been made under a forward pricing (delayed pricing) contract. Disbursements shall be made under the direction of the Commissioner to grain producers on a pro rata basis. An action to enforce the priority lien created by this subsection may be brought in the name of the Commissioner or the Kentucky Grain Insurance Corporation in the Franklin Circuit Court.

(4) The licensed warehouse establishment and the producer may at the time a forward pricing (delayed pricing) contract is executed mutually agree and waive the payment of compensation from the Kentucky Grain Insurance Fund authorized by KRS 251.670. The waiver shall be made in writing at the time the forward pricing (delayed pricing) contract is executed and shall be made in a manner prescribed by the Commissioner and filed with the department within ten (10) days thereafter. Upon the waiver, the grain sold pursuant to the forward pricing (delayed pricing) contract shall be excluded from the coverage of the Kentucky Grain Insurance Fund and the producer shall be exempted from the assessment at KRS 251.640(1) for the amount of grain covered by the contract. The licensed grain establishment shall not be required to maintain rights in the grain, proceeds from the sale of grain, or a combination of the grain, rights, and proceeds equal to eighty percent (80%) of the value of the licensed storage establishment's unpaid obligation relating to the amount of grain exempted from the payment of compensation from the Kentucky Grain Insurance Fund.

SECTION 2. A NEW SECTION OF KRS CHAPTER 251 IS CREATED TO READ AS FOLLOWS:

The board shall deny the payment of compensation under KRS 251.670 to any claimant who has incurred a financial loss due to the failure of a licensed grain dealer or warehouse, when the board determines:

(1) The claimant has executed a waiver of compensation as part of a forward pricing (delayed pricing) contract which has been filed with the department as required by Section 1 of this Act. However, the exclusion from coverage shall be limited to the grain or proceeds from grain described in the forward pricing (delayed pricing) contract waiver.

(2) The claimant as payee has failed to present for payment a negotiable instrument, issued as payment for grain, within ninety (90) days from the date the negotiable instrument is tendered to the claimant in satisfaction of obligations for grain purchased by the licensed grain establishment.

(3) The claimant has engaged in conduct or practices which differ from generally accepted marketing practices within the grain industry to an extent that the claimant's actions have substantially contributed to his financial loss.

Section 3. KRS 251.990 is amended to read as follows:

(1) Any person who violates subsection (2) of KRS 251.180 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500), or imprisoned for not more than six (6) months, or both.

(2) Any person who violates KRS 251.220 or 251.290 shall be fined not more than one thousand dollars ($1,000), or imprisoned for not more than one (1) year, or both.

(3) Any person who violates KRS 251.240 shall be guilty of a felony and fined not more than one thousand dollars ($1,000) or imprisoned for not more than two (2) years, or both.

(4) Any person who violates KRS 251.300 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000) or imprisoned for not more than one (1) year, or both.

(5) Any person who violates the provisions of KRS 251.430 to 251.720 shall be fined two hundred dollars ($200) for the first offense. He shall be fined not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000) and/or be confined in the county jail for not less than sixty (60) days nor more than one hundred and twenty (120) days for each subsequent offense. Each day of operation in violation of the provisions of KRS 251.430 to 251.720 shall constitute a separate offense.

(6) Any person who operates without a license as required by KRS 251.430 or 251.720 shall be fined not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000) for each violation, or imprisoned for at least one (1) but not more than five (5) years, or both.

(7) Any person who intentionally refuses or fails to pay moneys collected for assessment of grain under the Kentucky Grain Insurance Fund Program as set forth in KRS 251.640 shall be subject to a fine of not less than one hundred dollars ($100) nor more than five hundred dollars ($500), or imprisoned for not more than six (6) months, or both.

(8) Any person who fails or refuses to maintain at all times grain in storage, rights in grain, proceeds from the sale of grain, or a combination of the grain, rights, and proceeds equal to eighty percent (80%) of the value of a licensed grain storage establishment's unpaid obligations to producers for grain delivered under a forward pricing (delayed pricing) contract as required by Section 1 or Section 2 of this Act shall be fined not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000) for each violation, or imprisoned for at least one (1) year but not more than five (5) years, or both.

(9) Any person who knowingly makes any false statement, representation, or certification, or who knowingly fails to make any statement, representation, or certification in any record, report, or other document filed or required to be maintained by the Commissioner in violation of subsection (2) of Section 1 of this Act shall upon conviction be fined not less than one thousand dollars ($1,000) nor more than five thousand dollars ($5,000) for each violation, or imprisoned for at least one (1) year but not more than five (5) years, or both.

(10) Any person who transfers or disburses grain, property, or assets from the licensed grain establishment's handler account in violation of subsection (2) of Section 1 of this Act shall upon conviction be fined not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000) for each violation, or be imprisoned for at least one (1) year but not more than five (5) years, or both.

(11) Except as permitted by law, any person who willfully and knowingly resists, prevents, impedes, or interferes with the Commissioner or other agents or employees of the department in performance of the duties assigned by Section 1 or Section 2 of this Act, shall upon conviction be fined not less than one thousand dollars ($1,000) nor more than five thousand dollars ($5,000) for each violation, or imprisoned for not more than one (1) year, or both.

(12) If a corporate grain establishment license holder violates any provision of Section 1 or Section 2 of this Act or administrative regulations issued pursuant thereto, or if it fails or refuses to comply with any lawful order issued by the Commissioner, any director, officer, or agent of the corporation who willfully and knowingly authorized, ordered, or carried out the violation, failed, or refused to comply with any lawful order issued by the Commissioner shall be subject to the same penalties, fines, and imprisonment as may be imposed upon a person pursuant to this section.

The Senate Floor Amendment No. 1 to the Senate Committee Substitute to **HB 498** is as follows:

Amend printed copy of **HB 498**/SCS on page 3, line 7, by adding after "*;*" the word "*or*"; and

On page 3, line 8, by deleting the line in its entirety; and

On page 3, line 9, by renumbering "*4.*" as "*3.*".

Representative McElroy moved that the House concur in the Senate Committee Substitute to **HB 498**. Agreed

Representative McElroy moved that the House concur in Senate Floor Amendment No. 1 to the Senate Committee Substitute to **HB 498**. Agreed.

Representative McElroy moved that **HB 498**, by way of Senate Committee Substitute as amended by the Senate, be passed.

On the roll call the vote was: Yeas 94, Nays 0. (See March 10, 1992 roll call on **HB 498** - Appendix.)

HB 498, by way of Senate Committee Substitute as amended by the Senate, was passed and the title agreed to.

Representative McElroy moved that the vote by which **HB 498**, by way of Senate Committee Substitute as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Floor Amendments (Continued)

Floor Amendment No. 1 to **HB 628**, by Representative Ridley:

Amend printed copy of **HB 628** on page 29, between lines 12 and 13, by inserting the following:

"Section 11. KRS 186.531 is amended to read as follows:

(1) The cost of operators' licenses, motorcycle operators' licenses and permits shall be as follows:

(a) The fee for any two (2) year original or renewal license, including motorcycle operator's license, shall be four dollars ($4), except that the fee for a combination motor vehicle-motorcycle operator's license shall be seven dollars ($7). The fee for any four (4) year original or renewal license, including motorcycle operator's license, shall be eight dollars ($8), except that the fee for a four (4) year combination motor vehicle-motorcycle operator's license shall be fourteen dollars ($14);

(b) The fee for any instruction permit shall be one dollar ($1) plus one dollar ($1) for preparing and acknowledging such application;

(c) The fee for a duplicate license shall be two dollars ($2);

(d) The fee for an identification card shall be four dollars ($4). The fee for a duplicate identification card shall be two dollars ($2); and

(e) Any applicant under the age of twenty-one (21) who meets the requirements for the issuance of a valid driver's license shall be issued a license valid until the date on which said applicant attains the age of twenty-one (21). The fee for the license shall be two dollars ($2) per year for the requisite number of years as set forth herein. The applicant shall have thirty (30) days after his twenty-first birthday in which to renew his driver's license.

(2) The circuit clerk shall deposit in the state treasury to the credit of the general fund except as provided in paragraph (f) of this subsection fees pertaining to applications and license fees in the following manner:

(a) One dollar and seventy-five cents ($1.75) of any original and renewal license, except that the fee for a combination motor vehicle-motorcycle operator's license shall be three dollars ($3);

(b) One dollar ($1) for issuance of any instruction permit;

(c) One dollar ($1) for preparing and acknowledging an application for an instruction permit;

(d) One dollar and twenty-five cents ($1.25) for preparing and acknowledging an application for a duplicate;

(e) One dollar and twenty-five cents ($1.25) for each identification card; and

(f) For each original or renewal license one dollar ($1) shall be credited to a special account within the state road fund and shall be used by the Transportation Cabinet exclusively for the purpose of issuing a photo license.

(g) An applicant for an original or renewal motor vehicle operator's license, commercial driver's license, or motorcycle operator's license shall have the opportunity to make a donation of one dollar ($1) to support an organ donor program. The one dollar ($1) donation shall be added to the regular fee for an original or renewal motor vehicle operator's license, commercial driver's license, or motorcycle operator's license. One (1) donation may be made per issuance or renewal of a license or any combination thereof. The fee shall be paid to the Circuit Court clerk and shall be deposited with the Circuit Court Clerks' Association. The clerk shall be responsible for the expenditure and accounting of these funds. Organ donation is voluntary and may be refused by the applicant at the time of issuance of renewal of a license.

(3) The remainder of all fees, and other moneys collected by the Circuit Court clerk shall be forwarded to the state.

(4) The photo licenses shall be in use and the procedures prescribed by KRS 186.412 and 186.413 shall be fully implemented by January 1, 1975."; and

On page 29, line 13, renumber existing "Section 11" as "Section 12".

Orders of the Day (Continued)

HB 372, with Senate Amendments attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Amendment No. 1 to **HB 372** is as follows:

Amend printed copy of **HB 372/GA** on page 3, line 7, by deleting "***diagnosed***" and inserting in lieu thereof "***with a primary diagnosis of***";

And on page 3, line 8, by deleting "*with*".

The Senate Amendment No. 2 to **HB 372** is as follows:

Amend printed copy of **HB 372/GA** on page 4, line 17, after "*(1)*" by inserting "***All lists maintained by hospitals pursuant to Section 3 of this Act shall be confidential.***"

Representative Farrow moved that the House concur in Senate Amendment No. 1 to **HB 372**. Agreed.

Representative Farrow moved that the House concur in Senate Amendment No. 2 to **HB 372**. Agreed.

Representative Farrow moved that **HB 372**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 92, Nays 2. (See March 10, 1992 roll call on **HB 372** - Appendix.)

HB 372, as amended by the Senate, was passed and the title agreed to.

Representative Farrow moved that the vote by which **HB 372**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Motions, Petitions and Communications

Representative Stumbo moved that **HB 881** be reassigned to the Committee on Health and Welfare. Agreed.

Representative Stumbo moved that the three day posting requirement be waived on **HB 881**. Agreed.

Representative Stumbo moved that **HB 888** be reassigned to the Committee on Appropriations and Revenue. Agreed.

Representative Stumbo moved that **HB 470** be recommitted to the Committee on State Government. Agreed.

Representative Stumbo moved that the three day posting requirement be waived on **HB 738**. Agreed.

Representative Stumbo moved that the three day posting requirement be waived on **HB 174**. Agreed.

Representative Stumbo moved that **HB 693** be recommitted to the Committee on Health and Welfare. Agreed.

Representative Stumbo moved that the three day posting requirement be waived on **HB 926**. Agreed.

Representative Stumbo moved that **HB 627** be taken from the Clerk's Desk and placed in the Orders of the Day for March 11, 1992. Agreed.

Representative Barrows moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HR 186, by Representatives Barrows and Keith: A RESOLUTION in loving memory and honor of the Reverend Ford Philpot.

Representative Barrows moved the adoption of the following **HR 186**:

HR 186, A RESOLUTION in loving memory and honor of the Reverend Ford Philpot.

With deepest respect, we pay homage and tribute to the Reverend Ford Philpot.

WHEREAS, Ford Philpot, a native of Clay County, Kentucky, was born on June 16, 1917, and traversed these earthly bounds on March 9, 1992, crossing that final bourne from which no traveller returns; and

WHEREAS, Ford Philpot was the loving son of Granville and Wilhemena Reed Philpot; and

WHEREAS, Ford Philpot, a man of grace and a bulwark of faith, inspired this great Commonwealth, nation, and world, by preaching the Word of God through his evangelism as a member of the Kentucky Conference of the United Methodist Church; and

WHEREAS, the Holy Spirit annointed his ministry to bring forth fruit one hundred fold with thousands of souls coming to Jesus Christ each year; and

WHEREAS, Ford Philpot, through his faith and determination, conducted more than six hundred crusades, proclaiming the gospel throughout the United States and in Africa, Japan, and Jerusalem; and

WHEREAS, Ford Philpot produced more than 900 segments of "The Story," America's first color religious television show featuring religious messages, interviews with entertainers, sports enthusiasts, and religious music; and

WHEREAS, Ford Philpot was the loving husband of Virginia Robinson Philpot; adored father of two sons, State Senator Tim Philpot and the Reverend Danny Philpot; and proud grandfather of five grandchildren; and

WHEREAS, the passing of the Reverend Ford Philpot has left a void that will be difficult to fill, and he is mourned across the length and breadth of the Commonwealth;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this honorable body expresses its deep sense of bereavement and loss upon the passing of Ford Philpot and commits his loving family to the solace of the Almighty.

Section 2. That the Clerk of the House of Representatives is directed to transmit a copy of this Resolution to Mrs. Virginia Robinson Philpot, 798 Cindy Blair Way, Lexington, Kentucky 40503.

HR 186 was adopted by voice vote.

Representative Barrows moved that a call of the roll be taken to show co-sponsors of **HR 186**.

On the roll call the vote was yeas 94—Ackerson, Adkins, Allen, Altman, Ark, Arnold, Ballard, Barrows, Bentley, Blandford, Bowling, Bronger, Brown, Bruce, Bryant, Butler, Callahan, Casebier, Castleman, L. Clark, P. Clark, Coleman, Collins, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Farley, Farrow, Ford, Freibert, Gedling, Gee, Geveden, Gray, Gregory, Hancock, J. Harper, K. Harper, Heleringer, Hourigan, Jensen, Johnson, Jones, Keith, Kerr, Lear, LeMaster, Lewis, Lile, Little, Long, Lyne, Mack, Maggard, Mason, McElroy, Moberly, Morris, Mullinix, Napier, Nelson, Noe, Noland, Northup, Nunn, Overstreet, Palumbo, Pritchett, Rapier, Ravenscraft, Reinhardt, Richards, Richardson, Ridley, Riner, Sanders, Scorsone, Sheehan, B. Smith, R. Smith, T. Smith, Strong, Stumbo, Todd, Turner, Walker, Ward, Wayne, Williams, Worthington, Yates, Zimmerman. Nays 0.

Representative Long moved the adoption of the following **HR 185**:

HR 185, A RESOLUTION honoring Mr. John W. Smith, Jr.

WHEREAS, Mr. John W. Smith, Jr., has rendered exemplary service and shown extraordinary leadership as a member, vice chairman, and chairman, of the Henry County Board of Education during the past 16 years; and

WHEREAS, he has worked tirelessly to enhance education for all students, including offering encouragement to underachieving students, serving as an "adoptive grandparent" for two economically disadvantaged students who had no such representation on "Grandparent's Day" at school, and rolling up his sleeves and helping wash dishes in the school cafeteria after special events; and

WHEREAS, he has been instrumental in instituting a policy of rotating school board meetings to various school sites in order to encourage greater citizen participation, exhibited unusual leadership in the passage of the largest tax increase in the school district's history with little opposition, overseen the implementation of school-based planning in the district, two years prior to the passage of the Kentucky Education Reform Act, helped set major goals for technology expansion in the schools, and implementation of a computerized management system for the district's finances; and

WHEREAS, he has been active in school board leadership at the state level by serving as chairman of Kentucky School Boards Association's Fifth Region and as a director-at-large; and

WHEREAS, the Kentucky School Boards Association and the Kentucky Congress of Parents and Teachers have honored him by naming him the first recipient of the Warren H. Proudfoot Award for Outstanding School Board Member;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives proudly honors Mr. John W. Smith, Jr., as an exemplary representative of the Commonwealth.

Section 2. That the Clerk of the House is directed to send a copy of this Resolution to Mr. John W. Smith, Jr., Henry County Board of Education, P. O. Box 299, New Castle, Kentucky 40050.

HR 185 was adopted by voice vote.

Representative Curd moved the adoption of the following **HR 184**:

HR 184, A RESOLUTION honoring the Murray State University Racers men's basketball team.

WHEREAS, on March 8th, the 1991-92 Murray State University Racers completed their regular season with a 17 and 12 win/loss record, capped by their 80-61 victory over Eastern Kentucky University in the Ohio Valley Conference Tournament; and

WHEREAS, the Murray State University Racers were led by tournament Most Valuable Player Popeye Jones and his All-Tournament teammates, Frank Allen, and Maurice Cannon; and

WHEREAS, Popeye Jones paced the Ohio Valley Conference in rebounding and was second in scoring for the 1991-92 season; and

WHEREAS, this tournament victory represents Murray State's 11th victory in their last 12 games; and

WHEREAS, the Murray State University Racers have also won the Ohio Valley Tournament title in 1951, 1965, 1988, 1990 and 1991; and

WHEREAS, this championship is a fitting reflection of first year coach Scott Edgar's exemplary talents;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this august body does hereby honor the Murray State University Racers for their victory in the 1992 Ohio Valley Conference Tournament and lauds their successes during 1991-92 campaign.

Section 2. That the House of Representatives commends Coach Scott Edgar for his leadership and athletic acumen.

Section 3. That the Clerk of the House of Representatives is directed to transmit five copies of this Resolution to Murray State University President Dr. Ronald J. Kurth, and five copies to Murray State University Athletics Director Mike Strickland, Murray State University, Murray, Kentucky 42071.

HR 184 was adopted by voice vote.

Representative Pritchett moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HR 188, by Representatives Pritchett and McElroy: A RESOLUTION in honor of Dr. Gayle Ecton.

Representative Pritchett moved the adoption of the following **HR 188**:

HR 188, A RESOLUTION in honor of Dr. Gayle Ecton.

WHEREAS, Dr. Gayle Ecton has rendered outstanding leadership and extraordinary service in his capacity as Superintendent of Henderson County Schools since 1986; and

WHEREAS, his achievements include the development and communication of district and school mission statements, slogans, beliefs, and standards, as well as a strategic planning process and internal audit involving every classroom and teacher; and

WHEREAS, he has exhibited strong leadership in helping the schools and community work together to encourage the involvement of parents and the community in the success of every child by the participation of community, parents, staff, and students in advisory councils and committees, writing regular newspaper columns, developing numerous internal and external publications, including a handbook for parents, staff, and community; and

WHEREAS, he has been a leader in communicating Kentucky's education reform to the public; and

WHEREAS, his area of expertise is school finance, and in 1989 with the Board of Education, he organized the nonprofit Henderson County Educational Foundation for Excellence, the proceeds to be used to benefit school programs; and

WHEREAS, the Kentucky School Boards Association has honored him by his selection as the recipient of the 1992 F.L. Dupree Award for Outstanding Superintendent;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this honorable body is indeed proud to honor Dr. Gayle Ecton for his many achievements in the educational field, and the contributions he has given to the citizens of this Commonwealth.

Section 2. That this honorable body wishes for Dr. Gayle Ecton success in all future endeavors.

Section 3. That the Clerk of the House of Representatives is directed to transmit a copy of this Resolution to Dr. Gayle Ecton, Superintendent, Henderson County Schools, Henderson County Board of Education, Henderson, Kentucky 42420.

HR 188 was adopted by voice vote.

Representative Stumbo moved that the rules be suspended for Introduction of Resolutions, Report of Committees, Posting of Bills and Resolutions for Consideration, to allow co-sponsors. Agreed.

Introduction of Bills and Resolutions (Continued)

HR 187, by Representatives Gedling, Yates and Brown: A RESOLUTION adjourning in honor of Elroy Bryan West of Irvington and Phillip Lee West of Pleasure Ridge Park.

Reference of Bills and Resolutions

The Clerk reported that the Committee on Committees has referred the following Bills and Resolution:

Appropriations and Revenue: **SCR 83, SJR 87**

Business Organizations and Professions: **SB 152, SB 250**

Education: **SB 229**

Health and Welfare: **SB 306**

Judiciary: **SB 202**

Natural Resources and Environmental Protection: **SB 285, SB 287, SB 298, SB 318**

Posting of Bills and Resolutions for Consideration (Continued)

The Clerk announced that the following Bills and Resolutions have been posted for Committee consideration:

Appropriations and Revenue: **HJR 164, HCR 163, HCR 110, HB 888**

State Government: **SB 220, SB 251, HB 926**

Natural Resources and Environmental Protection: **HB 839, HB 752, HB 768, HB 890, HB 894, HB 939, SB 190.**

Transportation: **HB 905, HB 201**

Banking and Insurance: **HB 840, HB 877**

Agriculture and Small Business: **SB 81**

Elections and Constitutional Amendments: **HB 725**

Report of Committees (Continued)

The Committee on Appropriations and Revenue reported **HB 121**, with Committee Amendments and Title Amendment attached thereto, **HB 122**, with Committee Amendments and Title Amendment attached thereto, **HB 123**, with Committee Amendment attached thereto, **HB 181**, with Committee Amendments and Title Amendment attached thereto, **HB 191**, with Committee Substitute attached thereto, **HB 418**, with Committee Substitute attached thereto, **HB 554**, with Committee Substitute, Committee Amendment and Title Amendment attached thereto, and **HJR 25**, with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

The Committee Amendment No. 2 to **HB 121** is as follows:

Amend printed copy of **HB 121** on page 3, lines 5 through 16, by deleting lines 5 through 16 in their entirety.

The Committee Title Amendment to **HB 121** is as follows:

Amend printed copy of **HB 121** by amending the title to read as follows:

"AN ACT relating to children."

The Committee Amendment No. 2 to **HB 122** is as follows:

Amend printed copy of **HB 122** on page 2, lines 12 through 21, by deleting lines 12 through 21 in their entirety.

The Committee Title Amendment to **HB 122** is as follows:

Amend printed copy of **HB 122** by amending the title to read as follows:

"AN ACT relating to the family preservation program."

The Committee Amendment No. 2 to **HB 181** is as follows:

Amend printed copy of **HB 181** on page 1, line 5 delete the first "***full***"; and

On page 3, after line 21 and before line 22 insert the following:

"***(6) Funding shall be provided to eligible Kentucky National Guard members, up to the amount provided in the 1992-94 biennial budget appropriation.***"; and

On page 3, delete lines 24 to 26 in their entirety; and

On page 4, delete lines 1 to 6 in their entirety.

The Committee Title Amendment to **HB 181** is as follows:

Amend printed copy of **HB 181** by amending the title to read as follows:

"AN ACT relating to education."

The Committee Substitute to **HB 418** is as follows:

HB 418, AN ACT relating to community river and stream protection and awareness and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 147A IS CREATED TO READ AS FOLLOWS:

(1) The General Assembly declares that the river resources of Kentucky play a critical economic, social, and cultural role in communities throughout the Commonwealth. It is in the public interest to promote state and local partnerships in the protection and development of river and stream resources to ensure the balanced and full use of these resources for drinking, transportation, recreation and tourism, agriculture, and economic development while maintaining and improving the natural and environmental qualities of these resources.

(2) The Department for Local Government and the Kentucky Heritage Council shall jointly administer a grant and technical assistance program for the purpose of promoting community and local government participation in restoring, maintaining, and enhancing local and regional river resources and their accompanying watersheds, streams, and riparian areas.

(3) The department and the council, in cooperation with an advisory committee appointed by the Governor and composed of one (1) representative each from the Natural Resources and Environmental Protection Cabinet, the Environmental Council, the Economic Development Cabinet, the Department of Agriculture, and the Tourism Cabinet, shall develop applications and general grant rating criteria that will encourage cooperative and innovative efforts to address river resource issues and needs. These efforts may include:

(a) Stream cleanups;

(b) Activities to promote tourism, recreation, and other river-related opportunities; and

(c) Development of stream and watershed protection strategies.

(4) Grants shall be available to municipal and county governments. Cooperative initiatives between counties, such as the demonstration Elkhorn Creek Interlocal Planning Consortium, to foster stream planning and river resource multi-use management shall be encouraged.

(5) Grant applications shall be jointly reviewed by the Department for Local Government, the Kentucky Heritage Council, and the cooperating agencies. The Department for Local Government and the Kentucky Heritage Council shall approve grants for up to five thousand dollars ($5,000) per project. Preference shall be given to those projects providing matching funds.

(6) Each approved project shall submit to the administering agencies progress reports and a final report as determined by the agencies. The administering agencies shall submit to the Governor and the Legislative Research Commission an annual report on the program at the end of each fiscal year.

(7) Grants shall not be made for the purpose of water infrastructure development, maintenance, or operation.

Section 2. The sum of $50,000 for the fiscal year 1992-93 and the sum of $50,000 for the fiscal year 1993-94 is appropriated out of the general fund to the Department for Local Government to carry out the purpose of Section 1 of this Act.

The Committee Amendment No. 1 to **HB 554** is as follows:

Amend printed copy of **HB 554/HCS** on page 3, line 4 by deleting from ";" through line 15 and inserting in lieu thereof ".";

On page 3, line 22 by inserting the following new subsection as follows:

"***(6) The total number of psychiatric residential treatment facility beds shall not exceed sixteen (16) beds in any area development district with less than 275,000 population; thirty-two (32) beds in any area development district with 275,000 to 550,000 population; and forty-eight (48) beds in any area development district with over 550,000 population.***"

The Committee Amendment No. 1 to **HJR 25** is as follows:

Amend printed copy of **HJR 25** on page 2, line 11, after the word "Senate" by deleting ";" and on page 2, line 12, by deleting lines 12 through 23 in their entirety.

The Committee on Appropriations and Revenue reported **HB 543**, with Committee Substitute attached thereto, **HB 665**, with Committee Substitute attached thereto, **HB 704**, with Committee Amendment attached thereto, and **HB 748** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 543, AN ACT relating to economic assistance for local governments, making an appropriation, and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 42.450 is amended to read as follows:

(1) There is hereby established in the State Treasury a fund entitled "Local Government Economic Assistance Fund." The fund may receive state appropriations, gifts, grants, and federal funds and shall be disbursed by the State Treasurer upon the warrant of the secretary of the Finance and Administration Cabinet. Any unallotted or unencumbered balances in the fund shall be invested in United States Government Securities maturing not later than one (1) year from the date of investment and the income earned from ***the*** [~~such~~] investment shall be prorated for expenditure in coal producing and coal impact counties according to each [~~such~~] county's allocable part in the fund.

(2) Effective July 1, 1981, an amount equal to one-half (1/2) of the tax collected annually on the sale of minerals, exclusive of coal, shall be transferred from the general fund into this fund. ***The*** [~~Such~~] transfers shall be made quarterly[~~.~~

~~(3) Effective July 1, 1981, an amount equal to one-half (1/2) of the severance and processing taxes on coal collected annually, in excess of $177.6 million, shall be transferred from the general fund into this fund. However, in no event shall the amount transferred from the general fund into this fund for fiscal year 1986-87 be less than ten percent (10%) of the total severance and processing taxes on coal collected in fiscal year 1986-87, and in no event shall the amount transferred from the general fund into this fund for fiscal year 1987-88 and all subsequent fiscal years be less than twelve percent (12%) of the total severance and processing taxes on coal collected in fiscal year 1987-88 and in each respective subsequent fiscal year. Such transfers shall be made quarterly~~], based upon the revenue estimates prevailing at the time each quarterly transfer is due, except that the last quarterly transfer shall be made after the close of the fiscal year accounting records, and shall be adjusted to provide the balance of the annual transfer required by this subsection.

Section 2. KRS 42.455 is amended to read as follows:

(1) There is established within the Department of Local Government a Local Government Economic Assistance Program to consist of a system of grants to local governments to improve the environment for new industry and to improve the quality of life for the residents.

(2) Grants obtained under this program shall be used for priority expenditures. Thirty percent (30%) of all moneys in the fund shall be spent on the coal haul road system as described in subsection (7) of this section. The remaining seventy percent (70%) of the fund shall be spent on priority categories limited to the following***, but in no event shall grants obtained under this program be used for expenses related to administration of government***:

(a) Public safety, including law enforcement, fire protection, ambulance service and other related services;

(b) Environmental protection, including sewage disposal, sanitation, solid waste and other related programs;

(c) Public transportation, including mass transit systems, streets and roads;

(d) Health;

(e) Recreation;

(f) Libraries and educational facilities;

(g) Social services for the poor, aged, and handicapped;

(h) [~~Financial administration and governmental management programs;~~

~~(i)~~] Industrial and economic development; and

(i)[~~(j)~~] Vocational education.

(3) The use of entitlement funds for repayment of debt as related to long-term bond issues is permissible as long as the revenue from the bond issues is expended on priority categories.

(4) Grants obtained under this program may be used as local portion to secure federal programs as long as program expenditures are in the priority category area. Interest earned on funds received by local units of government shall be considered available for use by the local unit of government in the priority expenditure categories.

(5) The Department of Local Government shall be responsible for the promulgation of rules and regulations necessary to implement the grants programs authorized by this section.

(6) The Department of Local Government shall assure that a public hearing is held on the expenditure of funds received under KRS 42.450 to 42.495. Advertisement of the public hearing shall be published at least once but may be published two (2) or more times, provided that one (1) publication occurs not less than seven (7) days nor more than twenty-one (21) days before the scheduled date of the public hearing. The department shall submit an annual report to the Governor indicating how the grants were used and an evaluation of the program's effectiveness in improving the economy of the units of government receiving assistance.

(7) On or before August 15, 1980, and each year thereafter, the Transportation Cabinet shall publish and furnish to the Department of Local Government a directory, including supporting maps and other documents, designating the official state coal road system in coal [~~impact and coal~~] producing counties which shall include all public highways, roads, and streets over which quantities of coal, sufficient to significantly affect the condition and state of repair of such highways, roads and streets, have been transported in the immediately preceding fiscal year. The cabinet shall further publish the total county mileage of the official state coal road system and the total ton/miles within each coal [~~impact and coal~~] producing county for said preceding fiscal year.

(8) Every person shipping or transporting coal, and every carrier for hire or common carrier hauling coal over the public highways, roads and streets shall file with the Transportation Cabinet such information and at such intervals as the department shall designate by regulation duly adopted for the purpose of identifying those highways, roads, and streets comprising the coal haul road system and the quantities of coal transported thereon, in order that the cabinet can accurately calculate total ton/miles within each coal [~~impact and coal~~] producing county.

(9) The Revenue Cabinet shall make available to the Transportation Cabinet coal severance and processing tax data for use in verifying and supplementing the information furnished under the provisions of subsection (8) of this section. The information shall be furnished in such a manner as to conceal the identity of individual taxpayers; ***if*** [~~in the event~~] the data cannot be furnished without revealing the identity of individual taxpayers, it shall be withheld.

Section 3. KRS 42.470 is amended to read as follows:

Moneys in the local government economic assistance fund shall be allocated among the counties as follows:

(1) Funds allocated under ***Section 5 of this Act*** [~~KRS 42.450(3)~~];

(a) ***Sixty-five*** [~~Sixty~~] percent ***(65%)*** [~~(60%)~~] shall be distributed to each coal producing county on the basis of the ratio of tax collected on coal severed in each respective county to the tax collected statewide.

(b) ***Thirty-five*** [~~Thirty~~] percent ***(35%)*** [~~(30%)~~] shall be distributed to each coal producing county on the basis of per capita income (inverse order), ton miles of resource roads and population, equally weighted.

[~~(c) Ten percent (10%) shall be distributed to non-coal producing counties impacted by the transport of coal on the basis of geographic area, ton miles of resource roads, and per capita income (inverse order), weighted on a basis of 30/100, 40/100, and 30/100, respectively. The expenditure of such funds shall be limited to the categories of projects set out in KRS 42.455 (2)(c). To qualify for the funds distributed under the provisions of this paragraph, a county must have within its geographic boundaries twenty-five hundredths of one percent (.25%) of the total ton miles within coal impact counties.~~]

(2) All funds allocated under KRS 42.450(2) shall be distributed among the mineral producing counties on the basis of the tax collected on minerals severed in each respective county.

SECTION 4. A NEW SECTION OF KRS CHAPTER 42.450 TO 42.495 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby established in the State Treasury a fund entitled "Local Government Economic Development Fund." The fund may receive state appropriations, gifts, grants, and federal funds and shall

be disbursed by the State Treasurer upon the warrant of the secretary of the Finance and Administration Cabinet. Any unallotted or unencumbered balances in the fund shall be invested as provided for in KRS 42.500(6). Income earned from the investments shall be prorated for grants to counties according to the allotment schedule set out in Section 8 of this Act.

(2) Moneys shall be transferred from the general fund into this fund according to the following schedule:

(a) Effective July 1, 1992, an amount equal to fifteen percent (15%) of the severance and processing taxes on coal collected annually;

(b) Effective July 1, 1993, an amount equal to eighteen percent (18%) of the severance and processing taxes on coal collected annually;

(c) Effective July 1, 1994, an amount equal to twenty-five percent (25%) of the severance and processing taxes on coal collected annually; and

(d) Effective July 1, 1995, an amount equal to fifty percent (50%) of the severance and processing taxes on coal collected annually.

The transfers shall be made quarterly, based upon the revenue estimates prevailing at the time each quarterly transfer is due, except that the last quarterly transfer shall be made after the close of the fiscal year accounting records, and shall be adjusted to provide the balance of the annual transfer required by this subsection.

SECTION 5. A NEW SECTION OF KRS CHAPTER 42.450 TO 42.495 IS CREATED TO READ AS FOLLOWS:

(1) A portion of each quarterly transfer of moneys provided for in Section 4 of this Act shall be transferred from the local government economic development fund into the local government economic assistance fund according to the following schedule:

(a) Effective July 1, 1992, an amount equal to eighty percent (80%) of each quarterly transfer;

(b) Effective July 1, 1993, an amount equal to sixty-six and seven-tenths percent (66.7%) of each quarterly transfer;

(c) Effective July 1, 1994, an amount equal to forty-eight percent (48%) of each quarterly transfer; and

(d) Effective July 1, 1995, an amount equal to twenty-four percent (24%) of each quarterly transfer.

The transfers shall be made quarterly.

(2) The amount transferred annually from the local government economic development fund into the local government economic assistance fund under the provisions of subsection (1) of this section shall not be less than an amount equal to twelve percent (12%) of the severance and processing taxes on coal collected annually.

SECTION 6. A NEW SECTION OF KRS CHAPTER 42.450 TO 42.495 IS CREATED TO READ AS FOLLOWS:

(1) There is established within the Kentucky Development Finance Authority a local government economic development program to consist of a system of grants to counties to attract new industry.

(2) Grants obtained under this program shall be used for:

(a) Industrial development projects if an industrial firm has agreed with the local government, to the satisfaction of the Kentucky Development Finance Authority, to develop, in conjunction with the industrial development project, manufacturing, processing, assembling, or other facilities approved by the secretary of the Cabinet for Economic Development; and

(b) Industrial development projects if the secretary of the Cabinet for Economic Development finds that the project is necessary for the creation of an environment for new industry in order to obtain an agreement from an industrial firm to develop manufacturing, processing, assembling, or other facilities approved by the secretary of the Cabinet for Economic Development.

(c) Debt service on bonds issued under the provisions of KRS 65.270 or KRS 103.200 to 103.285 for industrial development projects, as defined in subsection (2)(a) and (b) of this section, or for facilities approved by the secretary of the Cabinet for Economic Development under the provisions of subsection (3) of this section.

(3) The secretary of the Cabinet for Economic Development may approve facilities, other than manufacturing, processing, or assembling facilities, for industrial development projects when the secretary finds that the facility will add value to a product. Value added facilities shall include data processing, telecommunication, and distribution facilities, but shall not include retail facilities or coal mining, coal processing, or coal transportation facilities. The secretary may also approve privately-owned facilities for transient lodging and recreation where the secretary finds that the cost of the recreation component of the facility is equal to, or greater than, the cost of the lodging component of the facility. The criteria for approval of applications for grants provided for in paragraphs (a), (b), and (c) of subsection (9) of this section shall be paramount in the case of lodging and recreational facilities.

(4) Applications for grants from funds provided for in subsection (1)(a) and (b) of Section 7 of this Act shall be made by the legislative bodies of one (1) or more counties with accounts in the local government economic development fund. Applications for grants from funds provided for in subsection (1)(c) of Section 7 of this Act shall be made by the legislative bodies of two (2) or more counties with accounts in the local government economic development fund. No grant shall be awarded without application for a grant.

(5) A grant may be awarded for an industrial development project located in a county that does not have an account in the local government economic development fund, if the secretary of the Cabinet for Economic Development finds that the industrial development project may be reasonably expected to create jobs for residents of the local unit or units of government applying for the grant. Application for the grant shall be made by the legislative bodies of one (1) or more counties with accounts in the local government economic development fund.

(6) With the exception of grants awarded to service debt on bonds, as provided for in subsection (2)(c) of this section, grants awarded from funds provided for in subsection (1)(a) and (b) of Section 7 of this Act shall not exceed the total balance of the accounts of the applicant counties at the time of the award of the grant.

(7) Grants awarded under the provisions of subsection (2)(c) of this section may be for a period not to exceed thirty (30) years, and shall be limited to an annual amount not to exceed twenty-five percent (25%) of the amount estimated to be allocated to the applicant county or counties for the current fiscal year under the provisions of subsection (1)(a) and (b) of Section 7 of this Act.

(8) Approval of grant applications shall be by the secretary of the Cabinet for Economic Development. Award of grants shall be by the Kentucky Development Finance Authority.

(9) Criteria for approval of applications and the award of grants shall be based upon the following:

(a) The number of jobs to be created or preserved, directly or indirectly, by the industrial development project;

(b) Payrolls, and the taxes generated, both at the state and local levels, by the industrial development project and taxes generated by the employment created or preserved by the industrial development project;

(c) The size, nature, and cost of the industrial development project, including the prospect of the industrial development project providing long-term jobs in enterprises consistent with the changing economies of the affected local units of government;

(d) The needs, and degree of needs, of the local units of government which will be affected by the industrial development project;

(e) The needs of any industrial firm benefiting from the industrial development project;

(f) The amount and kind of assistance, if any, available to an industrial firm from other government agencies through tax exemption or abatement, financing assistance through industrial development bonds, and otherwise, with respect to the industrial development project;

(g) The amount of capital made available to the facility by lenders and by the industrial firm; and

(h) The economic feasibility of the facility.

(10) For purposes of this section:

(a) "Industrial development project" means and includes the acquisition of any real estate and the construction, acquisition, and installation thereon and with respect thereto of improvements and facilities necessary and useful for the improvement of the real estate for conveyance to or lease to industrial firms to be used for manufacturing, processing, or assembling purposes, including surveys; site tests and inspections; subsurface site work; excavation, removal of structures, roadways, cemeteries, and other surface obstructions; filling, grading, and provision of drainage; storm water retention; installation of utilities, such as water, sewer, sewage treatment, gas electricity, communication, and other similar facilities; off-site construction of utility extensions to the boundaries of the real estate; construction and installation of buildings, including buildings to be used for worker training and education; rail facilities; roads; sidewalks; curbs; and other improvements to the real estate necessary to its manufacturing, processing, assembling, or other approved use by industrial entities; and

(b) "Industrial firm" means any corporation, partnership, person, or other legal entity, whether domestic or foreign, which will itself or through its subsidiaries and affiliates construct and develop a manufacturing, processing, assembling, or other approved facility on the site of an industrial development project financed pursuant to this section.

(11) Findings by the secretary of the Cabinet for Economic Development, provided for in subsections (2)(b), (3) and (5) of this section, shall be made in writing to the affected counties, the Governor, and the Legislative Research Commission.

(12) By October 1 of each odd-numbered year, the secretary of the Cabinet for Economic Development shall provide, in writing, to the Governor and the Legislative Research Commission a listing of all applications for grants received pursuant to this section subsequent to the last report, indicating which applications were approved or disapproved, with the reason for disapproval when the decision was to disapprove, and a listing of all grants awarded, with the amount of the award, the recipient county, and the related industrial development project.

SECTION 7. A NEW SECTION OF KRS CHAPTER 42.450 TO 42.495 IS CREATED TO READ AS FOLLOWS:

(1) Moneys remaining in the local government economic development fund following the transfer of moneys to the local government economic assistance fund provided for in Section 5 of this Act shall be allocated as follows:

(a) Thirty-three and one-third percent (33 1/3%) shall be allocated to each coal producing county on the basis of the ratio of total tax collected in the current and preceding four years on coal severed in each respective county to the total tax collected statewide in the current and four (4) preceding years.

(b) Thirty-three and one-third percent (33 1/3%) shall be allocated quarterly to each coal producing county on the basis of the following factors, which shall be computed for the current and four (4) preceding years, and which shall be equally weighted:

1. Percentage of employment in mining in relation to total employment in the respective county;

2. Percentage of earnings from mining in relation to total earnings in the respective county; and

3. Surplus labor rate.

(c) Thirty-three and one-third percent (33 1/3%) shall be reserved for expenditure for industrial development projects benefiting two or more coal producing counties.

(2) (a) For purposes of paragraph (b) of subsection (1) of this section, "percentage of employment in mining" and percentage of earnings from mining shall be the percentages published for the latest available five (5) year period by the Bureau of Economic Analysis in the United States Department of Commerce; "surplus labor rate" shall be the rate published for the latest available five (5) year period by the Department of Employment Services in the Cabinet for Human Resources, as provided in paragraph (b) of this subsection.

(b) 1. Each year the Department for Employment Services shall estimate surplus labor for each county and for the Commonwealth, and shall annually publish an estimate of the surplus labor rate for each county and the Commonwealth.

2. The estimate of surplus labor for each county and for the Commonwealth shall be made using the best practical method available at the time the estimates are made. In determining the method to be adopted, the Department of Employment Services may consult with knowledge individuals including, but not limited to, the Office of the United States Bureau of Labor Statics, state and national researchers, state and local officials, and staff of the Legislative Research Commission. The description of the method used to estimate surplus labor shall be reported in each annual publication provided for in subparagraph 1. of this paragraph.

3. For purposes of this section, "surplus labor" means the total number of residents who can be classified as unemployed or as discouraged workers, and "surplus labor rate" means the percentage of the potential civilian labor force which is surplus labor.

(3) The funds allocated under the provisions of paragraphs (a) and (b) of subsection (1) of this section shall retain their identity with respect to the county to which they are attributable, and a separate accounting of available moneys within the fund shall be maintained for the respective counties. Accounting for funds allocated under the provisions of this section shall be by the Department of Local Government.

SECTION 8. A NEW SECTION OF KRS CHAPTER 42.450 TO 42.495 IS CREATED TO READ AS FOLLOWS:

The Department of Local Government may promulgate administrative regulations to implement the provisions of Section 4, 5, or 7 of this Act. The Cabinet for Economic Development or the Kentucky Development Finance Authority may promulgate administrative regulations to implement the provisions of Section 6 of this Act.

Section 9. KRS 42.460 is amended to read as follows:

Except as provided in subsection (4)(b) of KRS 91A.040, any assistance granted under KRS 42.450 to 42.495 shall include an agreement that an independent annual audit shall be conducted and that the audit report shall include a certification that the funds were expended for the purpose intended. A copy of the audit and certification of compliance shall be forwarded to the Department of Local Government***, in the case of assistance granted from the local government economic assistance fund, or to the Cabinet for Economic Development and the Kentucky Development Finance Authority, in the case of assistance granted from the local government economic development fund,*** within eighteen (18) months after the end of the fiscal year.

Section 10. KRS 42.480 is amended to read as follows:

(1) On or before July 1, ***1992*** [~~1981~~], and each year thereafter, the commissioner of the Department of Local Government, shall provide the ***Cabinet for Economic Development, the Kentucky Development Finance Authority, and the*** legislative body of each local government eligible for funds under the provisions of KRS 42.450 to 42.495, an estimate of the funds that will be allocated to the local government for fiscal year ***1992-93*** [~~1981-82~~], and each year thereafter.

(2) On or before the fifteenth (15th) of the first month of a quarter, the commissioner of the Department of Local Government, shall cause to be remitted to the legislative bodies of the local governments eligible for funds ***from the local government economic assistance fund*** [~~under the provisions of KRS 42.450 to 42.495~~], the funds allocated to the respective local governments for the prior quarter; except that the remittance for the last quarter of a fiscal year shall be made after the close of the fiscal year accounting records, and shall be adjusted to provide the balance of the annual allocation due the local government.

Section 11. KRS 42.495 is amended to read as follows:

(1) ***If*** [~~In the event that~~] a qualifying local government unit reduces its general tax effort for any fiscal year, below the level of fiscal year ***1991-92*** [~~1979-80~~], that governmental unit shall forfeit funds that would otherwise be available under the provisions of KRS 42.450 to 42.495 on a dollar-for-dollar basis.

(2) For purposes of this section, "general tax effort" shall mean the total revenues raised in fiscal year ***1991-92*** [~~1979-80~~] from the levy of all of the taxing district's taxes in fiscal year ***1991-92*** [~~1979-80~~]. Taxes based upon the ***1991*** [~~1979~~] assessment of property shall be considered to be taxes levied and collected for fiscal year ***1991-92*** [~~1979-80~~].

Section 12. KRS 154.005 is amended to read as follows:

It shall be the purpose of this chapter to create a body corporate and politic to be known as the "Kentucky development finance authority" which shall exist and operate to help diversify the economy of this state,

including the economies of the coal producing regions of this state, to develop and expand existing and alternative sources of energy and the conservation of energy, to assist business enterprise in obtaining additional sources of financing to aid this state in achieving the goal of long-term economic growth and full employment, to meet the growing competition for business enterprises, to preserve existing jobs, to create new jobs, to reduce the cost of business and production, to foster export activity, to foster economic development on surface mining land, and to alleviate and prevent unemployment through the retention, promotion, and development of agriculture and agricultural facilities, forestry and forestry facilities, commerce and commercial facilities, health care and health related facilities, export markets and export activities, industry and industrial buildings and facilities, tourism and tourist facilities, including the sites therefor, and agricultural, forestry, commercial, and industrial machinery and equipment, water, and air pollution control equipment, and solid waste disposal facilities with respect thereto or for use by individuals for private sector employment. Such purposes shall be public purposes for which public money may be spent.

Section 13. KRS 154.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Authority" means the Kentucky Development Finance Authority;

(2) "Cabinet" means the Economic Development Cabinet;

(3) "Cost of a project" means the cost of the acquisition, construction, reconstruction, conversion, or leasing of any industrial, commercial, health care, agricultural, or forestry enterprise, or any part thereof, to carry out the purposes and objectives of this chapter, including but not limited to acquisition of land or interest in land, buildings, structures, or other planned or existing planned improvements to land, including leasehold improvements, machinery, equipment, or furnishings; working capital; and administrative costs including, but not limited to, engineering, architectural, legal, and accounting fees which are necessary for the project;

(4) "Industrial entity" means any corporation, partnership, person, or any other legal entity, domestic or foreign, which will itself or through its subsidiaries or affiliates, engage in an industrial improvement project in the Commonwealth of Kentucky;

(5) ***"Industrial firm" means industrial firm as defined in subsection (10)(b) of Section 6 of this Act.***

(6) "Industrial improvement project" means and includes the acquisition, construction, or implementation of new manufacturing, processing, or assembling facilities, equipment, methods of processes, or improvements to or repair of existing manufacturing, processing, or assembling facilities, equipment, methods, or processes, as well as improvements to the real estate upon which the facilities are located, and includes any capital improvement to any existing facility, including any restructuring, retooling, rebuilding, reequipping, or any other form of upgrading such existing facility and equipment and any other improvements to such real estate, existing facility, or manufacturing, processing, or assembling equipment, method or process;

(7)[~~(6)~~] ***"Industrial development project" means industrial development project as defined in subsection (10)(a) of Section 6 of this Act.***

(8) "Municipality" means a county, city, village, township, development organization, an institution of higher education, a community or junior college, a subdivision or instrumentality of any of the foregoing, or any entity created by two (2) or more municipalities pursuant to the Interlocal Corporation Act, KRS 65.210 to 65.300;

(9)[~~(7)~~] "Person" means an individual, partnership, joint venture, profit or nonprofit corporation including a public or private college or university, or other association of persons organized for agricultural, commercial, health care, or industrial purposes; or a public utility or local industrial development corporation;

(10)[~~(8)~~] "Private sector" means other source than the authority, a state or federal source, or an agency thereof;

(11)[~~(9)~~] "Project" means an endeavor approved by the Cabinet for Economic Development and related to industrial, manufacturing, mining, mining reclamation for economic development, commercial, health care, or agricultural enterprise. Project shall include, but is not limited to, agricultural or forestry production, harvesting, storage, or processing facilities or equipment; equipment or facilities designed to produce energy from renewable resources; research parks; office facilities; engineering facilities; research and development laboratories; warehousing facilities; parts distribution facilities; depots or storage facilities; port facilities; railroad facilities, including trackage, right of way, and appurtenances; airports and airport renovation; water and air pollution control equipment or waste disposal facilities; tourist facilities; theme or recreational parks;

health care and health related facilities; farms, ranches, forests and other agricultural or forestry commodity producers; agricultural harvesting, storage, transportation, or processing facilities or equipment; grain elevators; shipping heads and livestock pens; livestock; wharves and dock facilities; water, electricity, hydroelectric, coal, petroleum or natural gas provision facilities; dams and irrigation facilities; sewage, liquid, and solid waste collection, disposal treatment, and drainage services and facilities. ***Project shall include industrial development projects, financed out of the local government economic development fund through the local government economic development program.*** Except for airport related facilities project shall not include that portion of an endeavor devoted to the sale of goods at retail or that portion of an endeavor devoted to housing which does not consist of the manufacture of housing;

(12)[~~(10)~~] "Reclamation development fund" means the fund administered by the Kentucky Development Finance Authority to foster economic development on surface mining land;

(13)[~~(11)~~] "Reclamation development project" means only that reconditioning of land affected by surface mining, which will directly promote and benefit an economic undertaking which constitutes a project under subsection ***(11)***[~~(9)~~] of this section;

(14)[~~(12)~~] "Reclamation development plan" means a plan submitted to the Natural Resources and Environmental Protection Cabinet to show compliance with reclamation standards, and submitted to the Kentucky Development Finance Authority to seek moneys from the reclamation development fund for a reclamation development project;

(15) "Local government economic development fund" means the fund established under the provisions of Section 4 of this Act.

(16) "Local government economic development program" means the program established under the provisions of Section 6 of this Act.

(17)[~~(13)~~] "State" means the Commonwealth of Kentucky; and

(18)[~~(14)~~] "Tax revenues" means any revenues received by the Commonwealth directly or indirectly as a result of the industrial improvement project, including state corporate income taxes, state income taxes paid by employees who work in the project, state property taxes, state corporation license taxes or state sales and use taxes.

Section 14. KRS 154.041 is amended to read as follows:

The authority shall have the powers necessary or convenient to carry out and effectuate the purposes, objectives, and provisions of this chapter, the purposes and objectives of the authority, and the powers delegated by other laws***, including the provisions of Sections 6 and 8 of this Act,*** or executive orders, including, but not limited to, the power to:

(1) Sue and be sued; to have a seal and alter the same at pleasure; to make, execute, and deliver contracts, conveyances, and other instruments necessary or convenient to the exercise of its powers; and to make and amend bylaws;

(2) Solicit and accept gifts, grants, loans, and other aids from any person or the federal, state, or a municipality or any agency of the federal, state, or a municipality, or to participate in any other way in any federal, state, or local government program;

(3) Make grants, loans, and investments; to guarantee and insure loans, leases, bonds, notes, or other indebtedness, whether public or private; and to issue letters of credit;

(4) Construct, acquire by gift, purchase, installment purchase, or lease; and reconstruct, improve, repair, or equip a project or any part of a project;

(5) Borrow money and issue bonds and notes to finance part or all of the costs of a project, or of a loan pursuant to subsection (18) of this section for an export transaction, and to secure those bonds and notes by mortgage, assignment, or pledge of any of its money, revenues, income, and properties. The authority provided by this subdivision shall include, but is not limited to, issuing bonds and notes to acquire and install machinery, equipment, furnishings, and other personal property, notwithstanding that the authority does not own or propose to own or finance the building or land in or near to which the machinery, equipment, furnishings, and other personal property is or is to be located;

(6) Acquire or contract to acquire from any person, municipality, the federal or state government, or any agency of the foregoing, or otherwise, leaseholds, real or personal property or any interest in real or personal property; to own, hold, clear, improve, and rehabilitate and to sell, assign, exchange, transfer, convey, lease, mortgage, or otherwise dispose of or encumber leaseholds, real or personal property or any interest in real or personal property, as is convenient for the accomplishment of the purposes of this chapter and of the authority;

(7) Procure insurance against any loss in connection with the authority's property, assets, or activities;

(8) Invest any money of the authority, prior to the time it may be needed for the authority's programs, at the authority's discretion, in any obligations determined proper by the authority, and name and use depositories for its money;

(9) Engage personnel as necessary and engage the services of private consultants, managers, counsel, auditors, engineers, and scientists for rendering professional management and technical assistance and advice, payable out of any money of the authority legally available for this purpose;

(10) Charge, impose, and collect fees and charges in connection with any transaction and provide for reasonable penalties for delinquent payment of fees or charges;

(11) Indemnify and procure insurance indemnifying any members of the authority from personal loss or accountability from liability asserted by a person on the bonds or notes of the authority or any personal liability or accountability by reason of the issuance of the bonds, notes, insurance, or guarantees; by reason of acquisition, construction, ownership, or operation of a project; or by reason of any other action taken or the failure to act by the authority;

(12) Enter into a lease for the use or sale of a project. The lease may provide for options to purchase or renew;

(13) Mortgage or create security interests in a project or any part of a project, or in a lease or loan, or in the rents, revenues, or sums to be paid thereunder, in favor of the holders of the bonds or notes issued by the authority;

(14) Convey or release a project or any part of a project to a lessee, purchaser, or borrower under any agreement after provision has been made for the retirement in full of the bonds or notes issued for that project under terms and conditions provided in the agreement or as may be agreed with the holders of the bonds or notes, at any time the obligation of the lessee, purchaser, or borrower to make the payments prescribed shall remain fixed as provided in the agreement notwithstanding the conveyance or release, or as may otherwise be agreed with the holders of the bonds or notes;

(15) Make loans, participate in the making of loans, undertake commitments to make loans and mortgages, buy and sell loans and mortgages at public or private sale, rewrite loans and mortgages, discharge loans and mortgages, foreclose on a mortgage, commence an action to protect or enforce a right conferred upon the authority by a law, mortgage, loan, contract, or other agreement, bid for and purchase property which was the subject of the mortgage at a foreclosure or other sale, acquire or take possession of the property and, in that event, complete, administer, pay the principal and interest on obligations incurred in connection with the property, and dispose of and otherwise deal with the property, in a manner as may be necessary or desirable to protect the interests of the authority;

(16) Create accounts and funds as required or permitted by law for the use and disbursement of assets of the authority;

(17) Contract with others, public or private, for the provision of all or a portion of the services necessary for the management and operation of the authority;

(18) Make loans to a financial institution to facilitate financing of all or part of an export related transaction including, but not limited to, pre-export working capital financing and post-export receivable financing;

(19) Administer the reclamation development fund;

(20) Promulgate administrative regulations governing its proceedings;

(21) Make loans for airport construction and renovation;

(22) Do all other things necessary or convenient to achieve the objectives and purposes of the authority, this chapter, or other laws that relate to the purposes and responsibilities of the authority.

Section 15. KRS 350.010 is amended to read as follows:

As used in this chapter unless the context requires otherwise:

(1) "Surface coal mining operations" means activities conducted on the surface of lands in connection with a surface coal mine and surface impacts incident to an underground coal mine. The activities shall include excavation for the purpose of obtaining coal, including such common methods as contour, strip, auger, extended depth secondary recovery systems, mountaintop removal, box cut, open pit, and area mining, the use of explosives and blasting, and in situ distillation or retorting, leaching, or other chemical or physical processing, and cleaning, concentrating, or other processing or preparation, and the loading of coal at or near the mine site. The activities shall not include the extraction of coal by a landowner of fifty (50) tons or less within twelve (12) successive calendar months for his own noncommercial use from land owned or leased by him; the extraction of coal as an incidental part of federal, state, or local government financed highway or other construction under regulations established by the cabinet; the extraction of, or intent to extract, twenty-five (25) tons or less of coal by any person by surface coal mining operations within twelve (12) successive calendar months; the extraction of coal incidental to the extraction of other minerals where coal does not exceed sixteen and two-thirds percent (16 2/3%) of the tonnage of minerals removed for purposes of commercial use or sale; or coal exploration subject to KRS 350.057. Surface coal mining operations shall also include the areas upon which the activities occur or where the activities disturb the natural land surface. The areas shall also include any adjacent land, the use of which is incidental to the activities, all lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of the activities and for haulage, and excavations, workings, impoundments, dams, ventilation shafts, entryways, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas, and other areas upon which are sited structures, facilities, or other property or materials on the surface resulting from or incident to the activities. This definition shall include the terms "strip mining" of coal and the "surface effects of underground mining" of coal as used in this chapter;

(2) "Strip mining" means the breaking of the surface soil in order to facilitate or accomplish the extraction or removal of minerals, ores, or other solid matter; any activity or process constituting all or part of a process for the extraction or removal of minerals, ores, and other solid matter from its original location; and the preparation, washing, cleaning, or other treatment of minerals, ores, or other solid matter so as to make them suitable for commercial, industrial, or construction use; but shall not include the extraction of coal by a landowner for his own noncommercial use of fifty (50) tons or less within twelve (12) successive calendar months from land owned or leased by him; the extraction of coal as an incidental part of federal, state, or local government financed highway or other construction under regulations established by the cabinet; the extraction of, or intent to extract, twenty-five (25) tons or less of coal by any person by surface coal mining operations within twelve (12) successive calendar months; the extraction of coal incidental to the extraction of other minerals where coal does not exceed sixteen and two-thirds percent (16 2/3%) of the tonnage of minerals removed for purposes of commercial use or sale; coal exploration subject to KRS 350.057; nor shall it include the surface effects or surface impacts of underground coal mining;

(3) "Surface coal mining and reclamation operations" means surface coal mining operations and all activities necessary and incident to the reclamation of the operations as required by this chapter;

(4) "Overburden" means material of any nature, consolidated or unconsolidated, excluding topsoil, which lies above a natural deposit of coal and also means the material after removal from its natural state in the process of surface coal mining;

(5) "Area of land affected" means any area of land or water upon which surface coal mining and reclamation operations are conducted or located or are to be conducted or located;

(6) "Operations" means surface coal mining operations, all of the premises, facilities, roads, and equipment used in the process of producing coal from a designated area or removing overburden for the purpose of determining the location, quality, or quantity of a natural coal deposit or the activity to facilitate or accomplish the extraction or the removal of coal;

(7) "Method of operation" means the method or manner by which the cut or open pit is made, the overburden is placed or handled, water is controlled, and other acts are performed by the operator in the process of uncovering and removing the coal;

(8) "Operator" means any person, partnership, or corporation engaged in surface coal mining and reclamation operations;

(9) "Person" means any persons, partnership, corporation, association, society, joint stock company, firm, company, or other business organization;

(10) "Cabinet" means the Natural Resources and Environmental Protection Cabinet;

(11) "Secretary" means the secretary of the Natural Resources and Environmental Protection Cabinet;

(12) "Reclamation" means the reconditioning of the area affected by surface coal mining operations under a plan approved by the cabinet;

(13) "Degree" when used in this chapter shall mean from the horizontal, and in each case shall be subject to a tolerance of five percent (5%) of error;

(14) "Bench" means the ledge, shelf, or terrace formed in the contour method of strip mining;

(15) "Fill bench" means that portion of the bench which is formed by depositing overburden beyond the cut section;

(16) "Approximate original contour" means that surface configuration achieved by backfilling and grading of the mined area so that the reclaimed area, including any terracing or access roads, closely resembles the general surface configuration of the land prior to mining and blends into and complements the drainage pattern of the surrounding terrain, with all highwalls and spoil piles eliminated; water impoundments may be permitted where the cabinet determines that they are in compliance with KRS 350.455;

(17) "Certification" by a qualified registered professional engineer, as required by this chapter and regulations promulgated hereunder, means a good faith representation to the best of his or her knowledge and belief, based on adequate knowledge of the requirements of this chapter and regulations promulgated hereunder, related experience, best professional judgment, accepted engineering practices and recognized professional standards, and standard practice as it relates to direct participation by the registered professional engineer or supervision of the registered professional engineer's employees or subordinates. Certification shall not be construed to constitute a warranty or guarantee.

(18) "Reclamation development fund" means only that reconditioning of land affected by surface mining, which will directly promote and benefit the fund administered by the Kentucky Development Finance Authority to foster economic development on surface mining land.

(19) "Reclamation development project" means only that reconditioning of land affected by surface mining, which will directly promote and benefit an economic undertaking which constitutes a project under KRS 154.010***(11)***[~~(9)~~].

(20) "Reclamation development plan" means a plan submitted to the cabinet to show compliance with reclamation standards, and submitted to the Kentucky Development Finance Authority to seek moneys from the reclamation development fund for a reclamation development project.

Section 16. All unencumbered fund balances in each coal impact county's account established under KRS 42.470 prior to amendment by this Act, shall be distributed to the respective counties. The intent of this section is to ensure that funds due coal impact counties for fiscal year 1991-92, but scheduled to be remitted after the close of the fiscal year accounting records, as provided by KRS 42.480(2), shall be remitted.

Section 17. Moneys in the local government economic development fund and the local government economic assistance fund are hereby appropriated, and shall be treated as a continuing appropriation and shall not lapse at the end of the fiscal year.

Section 18. Whereas, the General Assembly finds it essential to effectuate the provisions of this Act prior to the normal effective date for legislation, an emergency is declared to exist, and this Act shall become effective July 1, 1992.

The Committee Substitute to **HB 543** is as follows:

HB 543, AN ACT relating to economic assistance for local governments, making an appropriation, and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 42.450 is amended to read as follows:

(1) There is hereby established in the State Treasury a fund entitled "Local Government Economic Assistance Fund." The fund may receive state appropriations, gifts, grants, and federal funds and shall be

disbursed by the State Treasurer upon the warrant of the secretary of the Finance and Administration Cabinet. Any unallotted or unencumbered balances in the fund shall be invested in United States Government Securities maturing not later than one (1) year from the date of investment and the income earned from ***the*** [~~such~~] investment shall be prorated for expenditure in coal producing and coal impact counties according to each [~~such~~] county's allocable part in the fund.

(2) Effective July 1, 1981, an amount equal to one-half (1/2) of the tax collected annually on the sale of minerals, exclusive of coal, shall be transferred from the general fund into this fund. ***The*** [~~Such~~] transfers shall be made quarterly[~~.~~

~~(3) Effective July 1, 1981, an amount equal to one-half (1/2) of the severance and processing taxes on coal collected annually, in excess of $177.6 million, shall be transferred from the general fund into this fund. However, in no event shall the amount transferred from the general fund into this fund for fiscal year 1986-87 be less than ten percent (10%) of the total severance and processing taxes on coal collected in fiscal year 1986-87, and in no event shall the amount transferred from the general fund into this fund for fiscal year 1987-88 and all subsequent fiscal years be less than twelve percent (12%) of the total severance and processing taxes on coal collected in fiscal year 1987-88 and in each respective subsequent fiscal year. Such transfers shall be made quarterly~~], based upon the revenue estimates prevailing at the time each quarterly transfer is due, except that the last quarterly transfer shall be made after the close of the fiscal year accounting records, and shall be adjusted to provide the balance of the annual transfer required by this subsection.

Section 2. KRS 42.455 is amended to read as follows:

(1) There is established within the Department of Local Government a Local Government Economic Assistance Program to consist of a system of grants to local governments to improve the environment for new industry and to improve the quality of life for the residents.

(2) Grants obtained under this program shall be used for priority expenditures. Thirty percent (30%) of all moneys in the fund shall be spent on the coal haul road system as described in subsection (7) of this section. The remaining seventy percent (70%) of the fund shall be spent on priority categories limited to the following***, but in no event shall grants obtained under this program be used for expenses related to administration of government***:

(a) Public safety, including law enforcement, fire protection, ambulance service and other related services;

(b) Environmental protection, including sewage disposal, sanitation, solid waste and other related programs;

(c) Public transportation, including mass transit systems, streets and roads;

(d) Health;

(e) Recreation;

(f) Libraries and educational facilities;

(g) Social services for the poor, aged, and handicapped;

(h) [~~Financial administration and governmental management programs;~~

~~(i)~~] Industrial and economic development; and

(i)[~~(j)~~] Vocational education.

(3) The use of entitlement funds for repayment of debt as related to long-term bond issues is permissible as long as the revenue from the bond issues is expended on priority categories.

(4) Grants obtained under this program may be used as local portion to secure federal programs as long as program expenditures are in the priority category area. Interest earned on funds received by local units of government shall be considered available for use by the local unit of government in the priority expenditure categories.

(5) The Department of Local Government shall be responsible for the promulgation of rules and regulations necessary to implement the grants programs authorized by this section.

(6) The Department of Local Government shall assure that a public hearing is held on the expenditure of funds received under KRS 42.450 to 42.495. Advertisement of the public hearing shall be published at least once but may be published two (2) or more times, provided that one (1) publication occurs not less than seven (7) days nor more than twenty-one (21) days before the scheduled date of the public hearing. The department shall submit an annual report to the Governor indicating how the grants were used and an evaluation of the program's effectiveness in improving the economy of the units of government receiving assistance.

(7) On or before August 15, 1980, and each year thereafter, the Transportation Cabinet shall publish and furnish to the Department of Local Government a directory, including supporting maps and other documents, designating the official state coal road system in coal impact and coal producing counties which shall include all public highways, roads, and streets over which quantities of coal, sufficient to significantly affect the condition and state of repair of such highways, roads and streets, have been transported in the immediately preceding fiscal year. The cabinet shall further publish the total county mileage of the official state coal road system and the total ton/miles within each coal impact and coal producing county for said preceding fiscal year.

(8) Every person shipping or transporting coal, and every carrier for hire or common carrier hauling coal over the public highways, roads and streets shall file with the Transportation Cabinet such information and at such intervals as the department shall designate by regulation duly adopted for the purpose of identifying those highways, roads, and streets comprising the coal haul road system and the quantities of coal transported thereon, in order that the cabinet can accurately calculate total ton/miles within each coal impact and coal producing county.

(9) The Revenue Cabinet shall make available to the Transportation Cabinet coal severance and processing tax data for use in verifying and supplementing the information furnished under the provisions of subsection (8) of this section. The information shall be furnished in such a manner as to conceal the identity of individual taxpayers; ***if*** [~~in the event~~] the data cannot be furnished without revealing the identity of individual taxpayers, it shall be withheld.

Section 3. KRS 42.470 is amended to read as follows:

Moneys in the local government economic assistance fund shall be allocated among the counties as follows:

(1) Funds allocated under ***Section 5 of this Act*** [~~KRS 42.450(3)~~];

(a) Sixty percent (60%) shall be distributed to each coal producing county on the basis of the ratio of tax collected on coal severed in each respective county to the tax collected statewide.

(b) Thirty percent (30%) shall be distributed to each coal producing county on the basis of per capita income (inverse order), ton miles of resource roads and population, equally weighted.

(c) Ten percent (10%) shall be distributed to non-coal producing counties impacted by the transport of coal on the basis of geographic area, ton miles of resource roads, and per capita income (inverse order), weighted on a basis of 30/100, 40/100, and 30/100, respectively. The expenditure of such funds shall be limited to the categories of projects set out in KRS 42.455 (2)(c). To qualify for the funds distributed under the provisions of this paragraph, a county must have within its geographic boundaries twenty-five hundredths of one percent (.25%) of the total ton miles within coal impact counties.

(2) All funds allocated under KRS 42.450(2) shall be distributed among the mineral producing counties on the basis of the tax collected on minerals severed in each respective county.

SECTION 4. A NEW SECTION OF KRS CHAPTER 42.450 TO 42.495 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby established in the State Treasury a fund entitled "Local Government Economic Development Fund." The fund may receive state appropriations, gifts, grants, and federal funds and shall be disbursed by the State Treasurer upon the warrant of the secretary of the Finance and Administration Cabinet. Any unallotted or unencumbered balances in the fund shall be invested as provided for in KRS 42.500(6). Income earned from the investments shall be prorated for grants to counties according to the allotment schedule set out in Section 7 of this Act.

(2) Moneys shall be transferred from the general fund into this fund according to the following schedule:

(a) Effective July 1, 1992, an amount equal to fifteen percent (15%) of the severance and processing taxes on coal collected annually;

(b) Effective July 1, 1993, an amount equal to eighteen percent (18%) of the severance and processing taxes on coal collected annually;

(c) Effective July 1, 1994, an amount equal to twenty-five percent (25%) of the severance and processing taxes on coal collected annually; and

(d) Effective July 1, 1995, an amount equal to fifty percent (50%) of the severance and processing taxes on coal collected annually.

The transfers shall be made quarterly, based upon the revenue estimates prevailing at the time each quarterly transfer is due, except that the last quarterly transfer shall be made after the close of the fiscal year accounting records, and shall be adjusted to provide the balance of the annual transfer required by this subsection.

SECTION 5. A NEW SECTION OF KRS CHAPTER 42.450 TO 42.495 IS CREATED TO READ AS FOLLOWS:

(1) A portion of each quarterly transfer of moneys provided for in Section 4 of this Act shall be transferred from the local government economic development fund into the local government economic assistance fund according to the following schedule:

(a) Effective July 1, 1992, an amount equal to eighty percent (80%) of each quarterly transfer;

(b) Effective July 1, 1993, an amount equal to sixty-six and seven-tenths percent (66.7%) of each quarterly transfer;

(c) Effective July 1, 1994, an amount equal to forty-eight percent (48%) of each quarterly transfer; and

(d) Effective July 1, 1995, an amount equal to twenty-four percent (24%) of each quarterly transfer.

The transfers shall be made quarterly.

(2) The amount transferred annually from the local government economic development fund into the local government economic assistance fund under the provisions of subsection (1) of this section shall not be less than an amount equal to twelve percent (12%) of the severance and processing taxes on coal collected annually.

SECTION 6. A NEW SECTION OF KRS CHAPTER 42.450 TO 42.495 IS CREATED TO READ AS FOLLOWS:

(1) There is established within the Kentucky Development Finance Authority a local government economic development program to consist of a system of grants to counties to attract new industry.

(2) Grants obtained under this program shall be used for:

(a) Industrial development projects if an industrial firm has agreed with the local government, to the satisfaction of the Kentucky Development Finance Authority, to develop, in conjunction with the industrial development project, manufacturing, processing, assembling, or other facilities approved by the secretary of the Cabinet for Economic Development; and

(b) Industrial development projects if the secretary of the Cabinet for Economic Development finds that the project is necessary for the creation of an environment for new industry in order to obtain an agreement from an industrial firm to develop manufacturing, processing, assembling, or other facilities approved by the secretary of the Cabinet for Economic Development.

(c) Debt service on bonds issued under the provisions of KRS 65.270 or KRS 103.200 to 103.285 for industrial development projects, as defined in subsection (2)(a) and (b) of this section, or for facilities approved by the secretary of the Cabinet for Economic Development under the provisions of subsection (3) of this section.

(3) The secretary of the Cabinet for Economic Development may approve facilities, other than manufacturing, processing, or assembling facilities, for industrial development projects when the secretary finds that the facility will add value to a product. Value added facilities shall include data processing, telecommunication, and distribution facilities, but shall not include retail facilities or coal mining, coal processing, or coal transportation facilities. The secretary may also approve privately-owned facilities for

transient lodging and recreation where the secretary finds that the cost of the recreation component of the facility is equal to, or greater than, the cost of the lodging component of the facility. The criteria for approval of applications for grants provided for in paragraphs (a), (b), and (c) of subsection (9) of this section shall be paramount in the case of lodging and recreational facilities.

(4) Applications for grants from funds provided for in subsection (1)(a) and (b) of Section 7 of this Act shall be made by the legislative bodies of one (1) or more counties with accounts in the local government economic development fund. Applications for grants from funds provided for in subsection (1)(c) of Section 7 of this Act shall be made by the legislative bodies of two (2) or more counties with accounts in the local government economic development fund. No grant shall be awarded without application for a grant.

(5) A grant may be awarded for an industrial development project located in a county that does not have an account in the local government economic development fund, if the secretary of the Cabinet for Economic Development finds that the industrial development project may be reasonably expected to create jobs for residents of the local unit or units of government applying for the grant. Application for the grant shall be made by the legislative bodies of one (1) or more counties with accounts in the local government economic development fund.

(6) With the exception of grants awarded to service debt on bonds, as provided for in subsection (2)(c) of this section, grants awarded from funds provided for in subsection (1)(a) and (b) of Section 7 of this Act shall not exceed the total balance of the accounts of the applicant counties at the time of the award of the grant.

(7) Grants awarded under the provisions of subsection (2)(c) of this section may be for a period not to exceed thirty (30) years, and shall be limited to an annual amount not to exceed twenty-five percent (25%) of the amount estimated to be allocated to the applicant county or counties for the current fiscal year under the provisions of subsection (1)(a) and (b) of Section 7 of this Act.

(8) Approval of grant applications shall be by the secretary of the Cabinet for Economic Development. Award of grants shall be by the Kentucky Development Finance Authority.

(9) Criteria for approval of applications and the award of grants shall be based upon the following:

(a) The number of jobs to be created or preserved, directly or indirectly, by the industrial development project;

(b) Payrolls, and the taxes generated, both at the state and local levels, by the industrial development project and taxes generated by the employment created or preserved by the industrial development project;

(c) The size, nature, and cost of the industrial development project, including the prospect of the industrial development project providing long-term jobs in enterprises consistent with the changing economies of the affected local units of government;

(d) The needs, and degree of needs, of the local units of government which will be affected by the industrial development project;

(e) The needs of any industrial firm benefiting from the industrial development project;

(f) The amount and kind of assistance, if any, available to an industrial firm from other government agencies through tax exemption or abatement, financing assistance through industrial development bonds, and otherwise, with respect to the industrial development project;

(g) The amount of capital made available to the facility by lenders and by the industrial firm; and

(h) The economic feasibility of the facility.

(10) For purposes of this section:

(a) "Industrial development project" means and includes the acquisition of any real estate and the construction, acquisition, and installation thereon and with respect thereto of improvements and facilities necessary and useful for the improvement of the real estate for conveyance to or lease to industrial firms to be used for manufacturing, processing, or assembling purposes, including surveys; site tests and inspections; subsurface site work; excavation, removal of structures, roadways, cemeteries, and other surface obstructions; filling, grading, and provision of drainage; storm water retention; installation of utilities, such as water, sewer, sewage treatment, gas, electricity, communication, and other similar facilities; off-site construction

of utility extensions to the boundaries of the real estate; construction and installation of buildings, including buildings to be used for worker training and education; rail facilities; roads; sidewalks; curbs; and other improvements to the real estate necessary to its manufacturing, processing, assembling, or other approved use by industrial entities; and

(b) "Industrial firm" means any corporation, partnership, person, or other legal entity, whether domestic or foreign, which will itself or through its subsidiaries and affiliates construct and develop a manufacturing, processing, assembling, or other approved facility on the site of an industrial development project financed pursuant to this section.

(11) Findings by the secretary of the Cabinet for Economic Development, provided for in subsections (2)(b), (3) and (5) of this section, shall be made in writing to the affected counties, the Governor, and the Legislative Research Commission.

(12) By October 1 of each odd-numbered year, the secretary of the Cabinet for Economic Development shall provide, in writing, to the Governor and the Legislative Research Commission a listing of all applications for grants received pursuant to this section subsequent to the last report, indicating which applications were approved or disapproved, with the reason for disapproval when the decision was to disapprove, and a listing of all grants awarded, with the amount of the award, the recipient county, and the related industrial development project.

SECTION 7. A NEW SECTION OF KRS CHAPTER 42.450 TO 42.495 IS CREATED TO READ AS FOLLOWS:

(1) Moneys remaining in the local government economic development fund following the transfer of moneys to the local government economic assistance fund provided for in Section 5 of this Act shall be allocated as follows:

(a) Thirty-three and one-third percent (33 1/3%) shall be allocated to each coal producing county on the basis of the ratio of total tax collected in the current and preceding four years on coal severed in each respective county to the total tax collected statewide in the current and four (4) preceding years.

(b) Thirty-three and one-third percent (33 1/3%) shall be allocated quarterly to each coal producing county on the basis of the following factors, which shall be computed for the current and four (4) preceding years, and which shall be equally weighted:

1. Percentage of employment in mining in relation to total employment in the respective county;

2. Percentage of earnings from mining in relation to total earnings in the respective county; and

3. Surplus labor rate.

(c) Thirty-three and one-third percent (33 1/3%) shall be reserved for expenditure for industrial development projects benefiting two or more coal producing counties.

(2) (a) For purposes of paragraph (b) of subsection (1) of this section, "percentage of employment in mining" and percentage of earnings from mining shall be the percentages published for the latest available five (5) year period by the Bureau of Economic Analysis in the United States Department of Commerce; "surplus labor rate" shall be the rate published for the latest available five (5) year period by the Department of Employment Services in the Cabinet for Human Resources, as provided in paragraph (b) of this subsection.

(b) 1. Each year the Department for Employment Services shall estimate surplus labor for each county and for the Commonwealth, and shall annually publish an estimate of the surplus labor rate for each county and the Commonwealth.

2. The estimate of surplus labor for each county and for the Commonwealth shall be made using the best practical method available at the time the estimates are made. In determining the method to be adopted, the Department of Employment Services may consult with knowledgeable individuals including, but not limited to, the Office of the United States Bureau of Labor Statistics, state and national researchers, state and local officials, and staff of the Legislative Research Commission. The description of the method used to estimate surplus labor shall be reported in each annual publication provided for in subparagraph 1. of this paragraph.

3. For purposes of this section, "surplus labor" means the total number of residents who can be classified as unemployed or as discouraged workers, and "surplus labor rate" means the percentage of the potential civilian labor force which is surplus labor.

(3) The funds allocated under the provisions of paragraphs (a) and (b) of subsection (1) of this section shall retain their identity with respect to the county to which they are attributable, and a separate accounting of available moneys within the fund shall be maintained for the respective counties. Accounting for funds allocated under the provisions of this section shall be by the Department of Local Government.

SECTION 8. A NEW SECTION OF KRS CHAPTER 42.450 TO 42.495 IS CREATED TO READ AS FOLLOWS:

The Department of Local Government may promulgate administrative regulations to implement the provisions of Section 4, 5, or 7 of this Act. The Cabinet for Economic Development or the Kentucky Development Finance Authority may promulgate administrative regulations to implement the provisions of Section 6 of this Act.

Section 9. KRS 42.460 is amended to read as follows:

Except as provided in subsection (4)(b) of KRS 91A.040, any assistance granted under KRS 42.450 to 42.495 shall include an agreement that an independent annual audit shall be conducted and that the audit report shall include a certification that the funds were expended for the purpose intended. A copy of the audit and certification of compliance shall be forwarded to the Department of Local Government***, in the case of assistance granted from the local government economic assistance fund, or to the Cabinet for Economic Development and the Kentucky Development Finance Authority, in the case of assistance granted from the local government economic development fund,*** within eighteen (18) months after the end of the fiscal year.

Section 10. KRS 42.480 is amended to read as follows:

(1) On or before July 1, ***1992*** [~~1981~~], and each year thereafter, the commissioner of the Department of Local Government, shall provide the ***Cabinet for Economic Development, the Kentucky Development Finance Authority, and the*** legislative body of each local government eligible for funds under the provisions of KRS 42.450 to 42.495, an estimate of the funds that will be allocated to the local government for fiscal year ***1992-93*** [~~1981-82~~], and each year thereafter.

(2) On or before the fifteenth (15th) of the first month of a quarter, the commissioner of the Department of Local Government, shall cause to be remitted to the legislative bodies of the local governments eligible for funds ***from the local government economic assistance fund*** [~~under the provisions of KRS 42.450 to 42.495~~], the funds allocated to the respective local governments for the prior quarter; except that the remittance for the last quarter of a fiscal year shall be made after the close of the fiscal year accounting records, and shall be adjusted to provide the balance of the annual allocation due the local government.

Section 11. KRS 42.495 is amended to read as follows:

(1) ***If*** [~~In the event that~~] a qualifying local government unit reduces its general tax effort for any fiscal year, below the level of fiscal year ***1991-92*** [~~1979-80~~], that governmental unit shall forfeit funds that would otherwise be available under the provisions of KRS 42.450 to 42.495 on a dollar-for-dollar basis.

(2) For purposes of this section, "general tax effort" shall mean the total revenues raised in fiscal year ***1991-92*** [~~1979-80~~] from the levy of all of the taxing district's taxes in fiscal year ***1991-92*** [~~1979-80~~]. Taxes based upon the ***1991*** [~~1979~~] assessment of property shall be considered to be taxes levied and collected for fiscal year ***1991-92*** [~~1979-80~~].

Section 12. KRS 154.005 is amended to read as follows:

It shall be the purpose of this chapter to create a body corporate and politic to be known as the "Kentucky development finance authority" which shall exist and operate to help diversify the economy of this state, ***including the economies of the coal producing regions of this state,*** to develop and expand existing and alternative sources of energy and the conservation of energy, to assist business enterprise in obtaining additional sources of financing to aid this state in achieving the goal of long-term economic growth and full employment, to meet the growing competition for business enterprises, to preserve existing jobs, to create new jobs, to reduce the cost of business and production, to foster export activity, to foster economic development on surface mining land, and to alleviate and prevent unemployment through the retention, promotion, and development of agriculture and agricultural facilities, forestry and forestry facilities, commerce and commercial facilities, health care and health related facilities, export markets and export activities, industry and industrial buildings and facilities, tourism and tourist facilities, including the sites therefor, and agricultural, forestry, commercial, and industrial machinery and equipment, water, and air pollution control equipment, and solid waste disposal facilities with respect thereto or for use by individuals for private sector employment. Such purposes shall be public purposes for which public money may be spent.

Section 13. KRS 154.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Authority" means the Kentucky Development Finance Authority;

(2) "Cabinet" means the Economic Development Cabinet;

(3) "Cost of a project" means the cost of the acquisition, construction, reconstruction, conversion, or leasing of any industrial, commercial, health care, agricultural, or forestry enterprise, or any part thereof, to carry out the purposes and objectives of this chapter, including but not limited to acquisition of land or interest in land, buildings, structures, or other planned or existing planned improvements to land, including leasehold improvements, machinery, equipment, or furnishings; working capital; and administrative costs including, but not limited to, engineering, architectural, legal, and accounting fees which are necessary for the project;

(4) "Industrial entity" means any corporation, partnership, person, or any other legal entity, domestic or foreign, which will itself or through its subsidiaries or affiliates, engage in an industrial improvement project in the Commonwealth of Kentucky;

(5) ***"Industrial firm" means industrial firm as defined in subsection (10)(b) of Section 6 of this Act.***

(6) "Industrial improvement project" means and includes the acquisition, construction, or implementation of new manufacturing, processing, or assembling facilities, equipment, methods of processes, or improvements to or repair of existing manufacturing, processing, or assembling facilities, equipment, methods, or processes, as well as improvements to the real estate upon which the facilities are located, and includes any capital improvement to any existing facility, including any restructuring, retooling, rebuilding, reequipping, or any other form of upgrading such existing facility and equipment and any other improvements to such real estate, existing facility, or manufacturing, processing, or assembling equipment, method or process;

(7)[~~(6)~~] ***"Industrial development project" means industrial development project as defined in subsection (10)(a) of Section 6 of this Act.***

(8) "Municipality" means a county, city, village, township, development organization, an institution of higher education, a community or junior college, a subdivision or instrumentality of any of the foregoing, or any entity created by two (2) or more municipalities pursuant to the Interlocal Corporation Act, KRS 65.210 to 65.300;

(9)[~~(7)~~] "Person" means an individual, partnership, joint venture, profit or nonprofit corporation including a public or private college or university, or other association of persons organized for agricultural, commercial, health care, or industrial purposes; or a public utility or local industrial development corporation;

(10)[~~(8)~~] "Private sector" means other source than the authority, a state or federal source, or an agency thereof;

(11)[~~(9)~~] "Project" means an endeavor approved by the Cabinet for Economic Development and related to industrial, manufacturing, mining, mining reclamation for economic development, commercial, health care, or agricultural enterprise. Project shall include, but is not limited to, agricultural or forestry production, harvesting, storage, or processing facilities or equipment; equipment or facilities designed to produce energy from renewable resources; research parks; office facilities; engineering facilities; research and development laboratories; warehousing facilities; parts distribution facilities; depots or storage facilities; port facilities; railroad facilities, including trackage, right of way, and appurtenances; airports and airport renovation; water and air pollution control equipment or waste disposal facilities; tourist facilities; theme or recreational parks; health care and health related facilities; farms, ranches, forests and other agricultural or forestry commodity producers; agricultural harvesting, storage, transportation, or processing facilities or equipment; grain elevators; shipping heads and livestock pens; livestock; wharves and dock facilities; water, electricity, hydroelectric, coal, petroleum or natural gas provision facilities; dams and irrigation facilities; sewage, liquid, and solid waste collection, disposal treatment, and drainage services and facilities. ***Project shall include industrial development projects, financed out of the local government economic development fund through the local government economic development program.*** Except for airport related facilities project shall not include that portion of an endeavor devoted to the sale of goods at retail or that portion of an endeavor devoted to housing which does not consist of the manufacture of housing;

(12)[~~(10)~~] "Reclamation development fund" means the fund administered by the Kentucky Development Finance Authority to foster economic development on surface mining land;

(13)[~~(11)~~] "Reclamation development project" means only that reconditioning of land affected by surface mining, which will directly promote and benefit an economic undertaking which constitutes a project under subsection ***(11)***[~~(9)~~] of this section;

(14)[~~(12)~~] "Reclamation development plan" means a plan submitted to the Natural Resources and Environmental Protection Cabinet to show compliance with reclamation standards, and submitted to the Kentucky Development Finance Authority to seek moneys from the reclamation development fund for a reclamation development project;

(15) "Local government economic development fund" means the fund established under the provisions of Section 4 of this Act.

(16) "Local government economic development program" means the program established under the provisions of Section 6 of this Act.

(17)[~~(13)~~] "State" means the Commonwealth of Kentucky; and

(18)[~~(14)~~] "Tax revenues" means any revenues received by the Commonwealth directly or indirectly as a result of the industrial improvement project, including state corporate income taxes, state income taxes paid by employees who work in the project, state property taxes, state corporation license taxes or state sales and use taxes.

Section 14. KRS 154.041 is amended to read as follows:

The authority shall have the powers necessary or convenient to carry out and effectuate the purposes, objectives, and provisions of this chapter, the purposes and objectives of the authority, and the powers delegated by other laws***, including the provisions of Sections 6 and 8 of this Act,*** or executive orders, including, but not limited to, the power to:

(1) Sue and be sued; to have a seal and alter the same at pleasure; to make, execute, and deliver contracts, conveyances, and other instruments necessary or convenient to the exercise of its powers; and to make and amend bylaws;

(2) Solicit and accept gifts, grants, loans, and other aids from any person or the federal, state, or a municipality or any agency of the federal, state, or a municipality, or to participate in any other way in any federal, state, or local government program;

(3) Make grants, loans, and investments; to guarantee and insure loans, leases, bonds, notes, or other indebtedness, whether public or private; and to issue letters of credit;

(4) Construct, acquire by gift, purchase, installment purchase, or lease; and reconstruct, improve, repair, or equip a project or any part of a project;

(5) Borrow money and issue bonds and notes to finance part or all of the costs of a project, or of a loan pursuant to subsection (18) of this section for an export transaction, and to secure those bonds and notes by mortgage, assignment, or pledge of any of its money, revenues, income, and properties. The authority provided by this subdivision shall include, but is not limited to, issuing bonds and notes to acquire and install machinery, equipment, furnishings, and other personal property, notwithstanding that the authority does not own or propose to own or finance the building or land in or near to which the machinery, equipment, furnishings, and other personal property is or is to be located;

(6) Acquire or contract to acquire from any person, municipality, the federal or state government, or any agency of the foregoing, or otherwise, leaseholds, real or personal property or any interest in real or personal property; to own, hold, clear, improve, and rehabilitate and to sell, assign, exchange, transfer, convey, lease, mortgage, or otherwise dispose of or encumber leaseholds, real or personal property or any interest in real or personal property, as is convenient for the accomplishment of the purposes of this chapter and of the authority;

(7) Procure insurance against any loss in connection with the authority's property, assets, or activities;

(8) Invest any money of the authority, prior to the time it may be needed for the authority's programs, at the authority's discretion, in any obligations determined proper by the authority, and name and use depositories for its money;

(9) Engage personnel as necessary and engage the services of private consultants, managers, counsel, auditors, engineers, and scientists for rendering professional management and technical assistance and advice, payable out of any money of the authority legally available for this purpose;

(10) Charge, impose, and collect fees and charges in connection with any transaction and provide for reasonable penalties for delinquent payment of fees or charges;

(11) Indemnify and procure insurance indemnifying any members of the authority from personal loss or accountability from liability asserted by a person on the bonds or notes of the authority or any personal liability or accountability by reason of the issuance of the bonds, notes, insurance, or guarantees; by reason of acquisition, construction, ownership, or operation of a project; or by reason of any other action taken or the failure to act by the authority;

(12) Enter into a lease for the use or sale of a project. The lease may provide for options to purchase or renew;

(13) Mortgage or create security interests in a project or any part of a project, or in a lease or loan, or in the rents, revenues, or sums to be paid thereunder, in favor of the holders of the bonds or notes issued by the authority;

(14) Convey or release a project or any part of a project to a lessee, purchaser, or borrower under any agreement after provision has been made for the retirement in full of the bonds or notes issued for that project under terms and conditions provided in the agreement or as may be agreed with the holders of the bonds or notes, at any time the obligation of the lessee, purchaser, or borrower to make the payments prescribed shall remain fixed as provided in the agreement notwithstanding the conveyance or release, or as may otherwise be agreed with the holders of the bonds or notes;

(15) Make loans, participate in the making of loans, undertake commitments to make loans and mortgages, buy and sell loans and mortgages at public or private sale, rewrite loans and mortgages, discharge loans and mortgages, foreclose on a mortgage, commence an action to protect or enforce a right conferred upon the authority by a law, mortgage, loan, contract, or other agreement, bid for and purchase property which was the subject of the mortgage at a foreclosure or other sale, acquire or take possession of the property and, in that event, complete, administer, pay the principal and interest on obligations incurred in connection with the property, and dispose of and otherwise deal with the property, in a manner as may be necessary or desirable to protect the interests of the authority;

(16) Create accounts and funds as required or permitted by law for the use and disbursement of assets of the authority;

(17) Contract with others, public or private, for the provision of all or a portion of the services necessary for the management and operation of the authority;

(18) Make loans to a financial institution to facilitate financing of all or part of an export related transaction including, but not limited to, pre-export working capital financing and post-export receivable financing;

(19) Administer the reclamation development fund;

(20) Promulgate administrative regulations governing its proceedings;

(21) Make loans for airport construction and renovation;

(22) Do all other things necessary or convenient to achieve the objectives and purposes of the authority, this chapter, or other laws that relate to the purposes and responsibilities of the authority.

Section 15. KRS 350.010 is amended to read as follows:

As used in this chapter unless the context requires otherwise:

(1) "Surface coal mining operations" means activities conducted on the surface of lands in connection with a surface coal mine and surface impacts incident to an underground coal mine. The activities shall include excavation for the purpose of obtaining coal, including such common methods as contour, strip, auger, extended depth secondary recovery systems, mountaintop removal, box cut, open pit, and area mining, the use of explosives and blasting, and in situ distillation or retorting, leaching, or other chemical or physical processing, and cleaning, concentrating, or other processing or preparation, and the loading of coal at or near the mine site. The activities shall not include the extraction of coal by a landowner of fifty (50) tons

or less within twelve (12) successive calendar months for his own noncommercial use from land owned or leased by him; the extraction of coal as an incidental part of federal, state, or local government financed highway or other construction under regulations established by the cabinet; the extraction of, or intent to extract, twenty-five (25) tons or less of coal by any person by surface coal mining operations within twelve (12) successive calendar months; the extraction of coal incidental to the extraction of other minerals where coal does not exceed sixteen and two-thirds percent (16 2/3%) of the tonnage of minerals removed for purposes of commercial use or sale; or coal exploration subject to KRS 350.057. Surface coal mining operations shall also include the areas upon which the activities occur or where the activities disturb the natural land surface. The areas shall also include any adjacent land, the use of which is incidental to the activities, all lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of the activities and for haulage, and excavations, workings, impoundments, dams, ventilation shafts, entryways, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas, and other areas upon which are sited structures, facilities, or other property or materials on the surface resulting from or incident to the activities. This definition shall include the terms "strip mining" of coal and the "surface effects of underground mining" of coal as used in this chapter;

(2) "Strip mining" means the breaking of the surface soil in order to facilitate or accomplish the extraction or removal of minerals, ores, or other solid matter; any activity or process constituting all or part of a process for the extraction or removal of minerals, ores, and other solid matter from its original location; and the preparation, washing, cleaning, or other treatment of minerals, ores, or other solid matter so as to make them suitable for commercial, industrial, or construction use; but shall not include the extraction of coal by a landowner for his own noncommercial use of fifty (50) tons or less within twelve (12) successive calendar months from land owned or leased by him; the extraction of coal as an incidental part of federal, state, or local government financed highway or other construction under regulations established by the cabinet; the extraction of, or intent to extract, twenty-five (25) tons or less of coal by any person by surface coal mining operations within twelve (12) successive calendar months; the extraction of coal incidental to the extraction of other minerals where coal does not exceed sixteen and two-thirds percent (16 2/3%) of the tonnage of minerals removed for purposes of commercial use or sale; coal exploration subject to KRS 350.057; nor shall it include the surface effects or surface impacts of underground coal mining;

(3) "Surface coal mining and reclamation operations" means surface coal mining operations and all activities necessary and incident to the reclamation of the operations as required by this chapter;

(4) "Overburden" means material of any nature, consolidated or unconsolidated, excluding topsoil, which lies above a natural deposit of coal and also means the material after removal from its natural state in the process of surface coal mining;

(5) "Area of land affected" means any area of land or water upon which surface coal mining and reclamation operations are conducted or located or are to be conducted or located;

(6) "Operations" means surface coal mining operations, all of the premises, facilities, roads, and equipment used in the process of producing coal from a designated area or removing overburden for the purpose of determining the location, quality, or quantity of a natural coal deposit or the activity to facilitate or accomplish the extraction or the removal of coal;

(7) "Method of operation" means the method or manner by which the cut or open pit is made, the overburden is placed or handled, water is controlled, and other acts are performed by the operator in the process of uncovering and removing the coal;

(8) "Operator" means any person, partnership, or corporation engaged in surface coal mining and reclamation operations;

(9) "Person" means any persons, partnership, corporation, association, society, joint stock company, firm, company, or other business organization;

(10) "Cabinet" means the Natural Resources and Environmental Protection Cabinet;

(11) "Secretary" means the secretary of the Natural Resources and Environmental Protection Cabinet;

(12) "Reclamation" means the reconditioning of the area affected by surface coal mining operations under a plan approved by the cabinet;

(13) "Degree" when used in this chapter shall mean from the horizontal, and in each case shall be subject to a tolerance of five percent (5%) of error;

(14) "Bench" means the ledge, shelf, or terrace formed in the contour method of strip mining;

(15) "Fill bench" means that portion of the bench which is formed by depositing overburden beyond the cut section;

(16) "Approximate original contour" means that surface configuration achieved by backfilling and grading of the mined area so that the reclaimed area, including any terracing or access roads, closely resembles the general surface configuration of the land prior to mining and blends into and complements the drainage pattern of the surrounding terrain, with all highwalls and spoil piles eliminated; water impoundments may be permitted where the cabinet determines that they are in compliance with KRS 350.455;

(17) "Certification" by a qualified registered professional engineer, as required by this chapter and regulations promulgated hereunder, means a good faith representation to the best of his or her knowledge and belief, based on adequate knowledge of the requirements of this chapter and regulations promulgated hereunder, related experience, best professional judgment, accepted engineering practices and recognized professional standards, and standard practice as it relates to direct participation by the registered professional engineer or supervision of the registered professional engineer's employees or subordinates. Certification shall not be construed to constitute a warranty or guarantee.

(18) "Reclamation development fund" means only that reconditioning of land affected by surface mining, which will directly promote and benefit the fund administered by the Kentucky Development Finance Authority to foster economic development on surface mining land.

(19) "Reclamation development project" means only that reconditioning of land affected by surface mining, which will directly promote and benefit an economic undertaking which constitutes a project under KRS 154.010***(11)***[~~(9)~~].

(20) "Reclamation development plan" means a plan submitted to the cabinet to show compliance with reclamation standards, and submitted to the Kentucky Development Finance Authority to seek moneys from the reclamation development fund for a reclamation development project.

Section 16. Moneys in the local government economic development fund and the local government economic assistance fund are hereby appropriated, and shall be treated as a continuing appropriation and shall not lapse at the end of the fiscal year.

Section 17. Whereas, the General Assembly finds it essential to effectuate the provisions of this Act prior to the normal effective date for legislation, an emergency is declared to exist, and this Act shall become effective July 1, 1992.

HB 665, AN ACT authorizing the payment of certain claims against the state which have been duly audited and approved according to law, and have not been paid because of the lapsing or insufficiency of former appropriations against which claims were chargeable and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. (1) There is appropriated out of the General Fund in the State Treasury for the purpose of compensating persons and companies herein named for claims which have been duly audited and approved according to law, but which have not been paid because of lapsing or insufficiency of former appropriations against which the claims were chargeable, the sums listed below:

Deloitte and Touche 510 West Broadway Louisville, Kentucky 40202-2226	$ 8,000.00
SSC Inc. Calloway Service Industrial Road P.O. Box 750 Murray, Kentucky 42071	29.90
Stoll, Keenon and Park 1000 First Security Plaza Lexington, Kentucky 40507-1380	12,984.03
Orrahood, Wilson, and Clark, PSC P.O. Box 1446 Owensboro, Kentucky 42302	4,000.00

Dr. Charles Stephens St. Luke Hospital, Inc. 85 North Grand Avenue Fort Thomas, Kentucky 41075	5,750.00
Laboratory Associates 202 French Street Elizabethtown, Kentucky 42701	5,500.00
Elmer W. Ylitalo, P.S.C. Western Baptist Hospital Paducah, Kentucky 42001	2,250.00
Shuffett and Paris 403 Security Trust Building 271 West Short Lexington, Kentucky 40507-1292	1,976.62
Robert L. Bender	6,856.50
James R. Goodman	6,476.10
James E. Henson	6,174.00
Hugh L. Smith III	5,000.00
Louis Tandy	2,500.00
Commonwealth of Kentucky Department of Parks Capital Plaza Tower 500 Mero Street 11th Floor Frankfort, Kentucky 40601-1974	
Lindsey Wilson College Columbia, Kentucky 42728 Attn: Jo Bailey, Student Accounts/Evening College	26.75
Plangraphics, Inc. 202 West Main Street Frankfort, Kentucky 40601-1806	4,832.00
Brown, Todd and Heyburn 1600 Citizens Plaza Louisville, Kentucky 40202-2873	36,731.70
Perry Miller 216 Pleasantview Avenue Louisville, Kentucky 40206	768.02
Stanley M. Neuder 15300 Basswood Court Rockville, Maryland 20853	258.19
C. M. Management Services 698 Perimeter Drive, Suite 200 Lexington, Kentucky 40517	1,800.00
Union County Attorney P.O. Box 6, Courthouse Morganfield, Kentucky 42437	1,770.66
Mercer County Attorney's Office 111 Short Street Harrodsburg, Kentucky 40330	133.18
Powell County Attorney P.O. Box 189 Stanton, Kentucky 40380	442.01

Jessamine County Attorney
109 South First Street
Nicholasville, Kentucky 40356 .... 714.17

Office of Scott County Attorney
Scott County Courthouse
P.O. Box 582
Georgetown, Kentucky 40324 .... 1,942.93

Michael D. Bruner
c/o Barbara Vogler Commonwealth of Kentucky
Finance and Administration Cabinet
Office of Management and Fiscal Affairs
Capitol Annex, Second Floor 495.14

Office of Bath County Attorney
115 Court Street
Box 580
Owingsville, Kentucky 40360 .... 255.59

Johnson Sign Company
2400 Over Drive
Lexington, Kentucky 40510 .... 1,509.00

ACETY-ARC, INC.
Box 2446
Paducah, Kentucky 42002-2446 .... 5,460.00

BP Oil Company
P.O. Box 94672
Cleveland, Ohio 44101-4672 .... 126.32

Goss & Goss
Attorneys at Law
P.O. Box 897 Harlan, Kentucky 40831 .... 3,375.00

Wyatt, Tarrant & Combs
2600 Citizens Plaza
Louisville, Kentucky 40202
Attn: Kimberly Green 2,670.35

(2) The following claims are for the payment of State Treasury checks payable to the persons, or their personal representatives, and the firms listed, but not presented for payment within a period of five (5) years from the date of issuance of the checks as required by KRS 41.370 and 413.120.

	Payee	Treasury Fee	Total Check
Check #591429 dated May 9, 1956			
James M. Gloor 3109 Chickadee Road Louisville, KY 40218	6.35	25.00	31.35
Check #374150 dated March 28, 1962			
Gene Frederick Mills 9409 Springwater Drive Dallas, TX 75228	11.00	25.00	36.00
Check #T3,831,322 dated June 21, 1974			
Robert J. and K. Hand 1067 Squire Road Nortonville, KY 42442	20.00	25.00	45.00

Check #P8586081 dated August 7, 1975	22.07	25.00	47.07
Check #P8917724 dated October 17, 1975	163.30	25.00	188.30
Check #P9057217 dated November 20, 1975	22.07	25.00	47.07
Check #G3533188 dated December 19, 1975	3.70	25.00	28.70
Check #G3533189 dated December 19, 1975	138.85	25.00	163.85
Check #G3533190 dated December 19, 1975	187.24	25.00	212.24
Check #G3559171 dated January 9, 1976	25.04	25.00	50.04
Check #G3646452 dated February 27, 1976	218.79	25.00	243.79
Check #P9,546,142 dated March 10, 1976	210.37	25.00	235.37
Check #P9,546,144 dated March 10, 1976	116.22	25.00	141.22
Check #P9,587,138 dated March 19, 1976	116.22	25.00	141.22
Check #P9,727,092 dated April 23, 1976	69.15	25.00	94.15
Check #P9,995,727 dated June 22, 1976	22.07	25.00	47.07
Check #P0,076,411 dated July 8, 1976	22.07	25.00	47.07
Dr. H.B. Bradford Medical Arts Building 1010 Woodland Drive Elizabethtown, KY 42701	1,337.16	350.00	1,687.16
Check #P1,110,081 dated February 23, 1977			
Agnel Short H C #73 Box 380 Garner, KY 41817	166.44	25.00	191.44
Check #T6,033,796 dated May 9, 1977			
Edison E. Stidham Box 365 Hazard, KY 41701	10.13	25.00	35.13
Check #G4,914,411 dated February 3, 1978			
Patsy Cartmel Route 2 Box 309 Catlettsburg, KY 41129	2,439.76	271.08	2,710.84
Check #T7,046,530 dated July 10, 1978	172.92	25.00	197.92
Check #T7,910,748 dated July 5, 1979	26.45	25.00	51.45
James R. and B.R. Hayhurst c/o Gay Huntsman, Collections and Foreign Exchange Commerce Natl. Bank P.O. Box 14400 Lexington, KY 40512-4400	199.37	50.00	249.37
Check #G6,407,031 dated January 18, 1980			
The Payne Rice Estate c/o Roger L. Massengale Wells, Porter, Schmitt & Walker P.O. Box 1179 Paintsville, KY 41240-5179	3,150.00	350.00	3,500.00
Check #G6,639,433 dated April 25, 1980			
Dave N. Miller c/o Margaret N. Smith Commonwealth of Kentucky Transportation Cabinet Division of Accounts Frankfort, KY 40622	48.12	25.00	73.12

Check #T8,546,719 dated May 9, 1980			
William C. and W.L. Arnett Route 5, Box 378 Mayfield, KY 42066	13.47	25.00	38.47
Check #G6,840,507 dated August 8, 1980			
Jessie N. Young P.O. Box 38 Allensville, KY 42204-0038	47.20	25.00	72.20
Check #M1,598,541 dated December 30, 1980			
R.P. Owen, O.D. 117 West Ninth Street P.O. Box 786 Hopkinsville, KY 42240	150.50	25.00	175.50
Check #G7,186,909 dated January 21, 1981			
Estate of Lucy L. Hayden c/o Louis D. Jumpper, Adm. 839 W. Larkspur Dr. Jeffersonville, IN 47130	240.30	26.70	267.00
Check #A4,344,149 dated July 1, 1981			
Shannon L. Shields 2444 Bradley Circle Ashland, KY 41102	137.00	25.00	162.00
Check #G8,175,728 dated April 29, 1982			
Hardin County Bd. of Edu. c/o J-Mar Services, Inc. P.O. Box 2773 Tulsa, OK 74101	6,850.80	761.20	7,612.00
Check #P0,694,892 dated May 24, 1982			
Mary K. Cox c/o Rod Lewis, Payroll Adm. Commonwealth of Kentucky Department of Parks Capital Plaza Tower Frankfort, KY 40601-1974	297.94	33.11	331.05
Check #T0,875,894 dated February 18, 1983			
Velora B. Profitt 150 Rugby Road Lexington, KY 40504	13.37	25.00	38.37
Check #T1,562,133 dated July 26, 1983	121.46	25.00	146.46
Check #T1,568,480 dated August 16, 1983	552.95	61.44	614.39
David J. and P.P. Stender 1058 Berkshire Lane Russell, KY 41169	674.41	86.44	760.85
Check #G9,215,531 dated October 5, 1983			
Maryland Casualty Co. c/o InterSource Inc. P.O. Box 2773 Tulsa, OK 74101	3,600.00	400.00	4,000.00

Check #G9,247,772 dated October 21, 1983	608.40	67.60	676.00
Check #G9,247,919 dated October 21, 1983	3,174.62	352.74	3,527.36
CNA Insurance c/o InterSource Inc. P.O. Box 2773 Tulsa, OK 74101	3,783.02	420.34	4,203.36
Check #G9,656,329 dated April 25, 1984			
United States Fire Ins. Co. c/o InterSource Inc. P.O. Box 2773 Tulsa, OK 74101	13,500.00	1,500.00	15,000.00
Check #G9,658,197 dated April 26, 1984	4,177.40	464.16	4,641.56
Check #G9,658,198 dated April 26, 1984	720.00	80.00	800.00
J.S. Alberici Const. Co., Inc. c/o InterSource Ins. P.O. Box 2773 Tulsa, OK 74101	4,897.40	544.16	5,441.56
Check #A6,719,267 dated May 1, 1984	137.00	25.00	162.00
Check #A6,836,424 dated June 1, 1984	137.00	25.00	162.00
Teresa Smith Weaver Box 9 Grand Rivers, KY 42045	274.00	50.00	324.00
Check #T2,398,966 dated June 27, 1984			
Kevin L. Worrell P.O. Box 362 Richmond, KY 40475	4.60	25.00	29.60
Check #G9,820,305 dated August 2, 1984	751.88	83.54	835.42
Check #G9,830,109 dated August 6, 1984	24.20	25.00	49.20
Check #P2,977,934 dated August 13, 1984	44.87	25.00	69.87
Woodford May c/o Lois Pulliam Payroll Clerk Commonwealth of Kentucky Leg. Research Comm. State Capitol Frankfort, KY 40601	820.95	133.54	954.49
Check #G9,922,284 dated September 24, 1984			
Lexington-Fayette Urban County Govt. 200 East Main Street Lexington, KY 40507	3,150.00	350.00	3,500.00
Check #G9,967,268 dated October 12, 1984			
Farmers Bank Realty Co. P.O. Box 309 Frankfort, KY 40602	10,772.10	1,196.90	11,969.00
Check #G0,026,404 dated November 1, 1984			
Laura Burnett and National Flood Ins. c/o Phyllis B. Honshell P.O. Box 307 Wayland, KY 41666	29.00	25.00	54.00

Check #G0,037,796 dated November 5, 1984			
Hillendale Coal Corp. c/o Henry Hamilton, Jr. P.O. Box 290 McDowell, KY 41647	5,940.00	660.00	6,600.00
Check #P3,167,647 dated November 9, 1984			
George Ann Lowe c/o Morris Lowe Milliken Law Firm P.O. Box 1640 Bowling Green, KY 42102-1640	190.44	25.00	215.44
Check #G0,227,861 dated January 8, 1985			
Hopkins County Health Dept. P.O. Box 1266 Madisonville, KY 42431	282.83	31.43	314.26
Check #G0,262,467 dated January 17, 1985	2,351.29	261.25	2,612,54
Check #G0,262,506 dated January 17, 1985	2,204.37	244.93	2,449.30
Check #G0,621,729 dated June 28, 1985	2,250.00	250.00	2,500.00
Island Creek Corporation c/o The Coastland Group, Inc. 5 Cabot Place Stoughton, MA 02072	6,805.66	756.18	7,561.84
Check #G0,273,498 dated January 21, 1985			
Ryder Truck Rental c/o The Coastland Group, Inc. 5 Cabot Place Stoughton, MA 02072	2,604.97	289.44	2,894.41
Check #G0,309,829 dated February 5, 1985			
Machinery Specialities and Engineering Co. P.O. Box 99335 Louisville, KY 40299-0335	592.20	65.80	658.00
Check #T2,459,496 dated February 13, 1985			
Neal and Karen Ventura 4689 Idlewild Burlington, KY 41005	466.20	51.80	518.00
Check #G0,341,984 dated February 21, 1985			
Executone of KY, Inc. c/o The Coastland Group, Inc. 5 Cabot Place Stoughton, MA 02072	1,867.50	207.50	2,075.00
Check #T2,771,229 dated April 4, 1985			
Pamela Knox 1502 South Wilson Road Elizabethtown, KY 42701	21.80	25.00	46.80

Check #G0,448,423 dated April 12, 1985			
Lenihan Enterprises, Inc. c/o The Coastland Group, Inc. 5 Cabot Place Stoughton, MA 02072	1,489.50	165.50	1,655.00
Check #T3,080,513 dated May 10, 1985			
Donald J., Jr. and D. Gedling RR 2 Hardinsburg, KY 40143	338.62	37.63	376.25
Check #T3,221,165 dated May 28, 1985			
Helen D. Wolford P.O. Box 115 Phelps, KY 41553	169.14	25.00	194.14
Check #G0,623,193 dated July 15, 1985			
City of Leitchfield c/o FullCircle Serv., Inc. P.O. Box 3388 Tulsa, OK 74101-3388	2,437.05	270.78	2,707.83
Check #T3,318,628 dated September 13, 1985			
Viva Jean Herman c/o Mark O. Vetter, Guardian 4915 Larwell Drive Columbus, Ohio 43220	2,454.76	272.75	2,727.51
Check #P4,038,657 dated October 16, 1985	248.73	27.64	276.37
Check #P4,041,157 dated October 21, 1985	194.17	25.00	219.17
Mary F. League 115 Tulip Drive Frankfort, KY 40601	442.90	52.64	495.54
Check #G1,123,345 dated January 9, 1986			
Bowling Green Municipal Utilities P.O. Box 10300 Bowling Green, KY 42102-4300	1,800.00	200.00	2,000.00
Check #G1,231,744 dated February 28, 1986			
Terrance White c/o Lee Roy Liquor, Inc. 2631 West Broadway Louisville, KY 40210	277.20	30.80	308.00
Check #T3,520,272 dated March 11, 1986			
J.T. and L. Berry P.O. Box 9104 Pleasant View, KY 40769	51.55	25.00	76.55
Check #P4,456,128 dated March 24, 1986			
Janine M. Cunningham c/o Arlene Chenault Commonwealth of Kentucky Transportation Cabinet Division of Accounts Frankfort, KY 40622	60.42	25.00	85.42

Check #G1,293,626 dated March 31, 1986			
Volunteers of America			
c/o The Coastland Group, Inc.			
5 Cabot Place			
Stoughton, MA 02072	1,125.00	125.00	1,250.00
Check #G1,360,315 dated May 2, 1986			
IMB Corporation			
c/o FullCircle Serv., Inc.			
P.O. Box 3388			
Tulsa, OK 74101-3388	93.00	25.00	118.00
Check #T3,919,283 dated May 8, 1986			
James Jr. and L.E. Treece			
2106 Crystal Drive			
LaGrange, KY 40031	4.00	25.00	29.00
Check #G1,571,578 dated August 8, 1986			
Illinois Tool Works			
c/o Argent Research and Recovery, Ltd.			
53 Clinton Place			
Newton Centre, MA 02159	1,609.20	178.80	1,788.00
Check #G1,771,567 dated November 4, 1986			
Arch on the North Fork, Inc.			
c/o Barbara B. Edelman			
Wyatt, Tarrant and Combs			
Lexington Financial Ctr.			
Lexington, KY 40507	4,050.00	450.00	4,500.00

Section 2. The Finance and Administration Cabinet and the State Treasurer are hereby authorized to pay the following listed claims from the following funds:

(1) The Kentucky Retirement Systems is authorized to make payment from their retirement fund for State Treasury checks payable to the persons or their personal representatives but not presented for payment within a period of five (5) years from the date of issuance of the checks, the sums listed below:

	Payee	Treasury Fee	Total Check
Check #R1,526,695 dated May 7, 1982	2.36	25.00	27.36
Check #R1,842,499 dated April 6, 1984	5.81	25.00	30.81
Emma Dalton			
2908 Fifth Street			
Rapid City, S.D. 57701	8.17	50.00	58.17
Check #R1,705,565 dated July 7, 1983	88.39	25.00	113.39
Check #R1,719,414 dated August 4, 1983	88.39	25.00	113.39
Check #R1,733,275 dated September 7, 1983	88.39	25.00	113.39
Check #R1,747,556 dated October 7, 1983	88.39	25.00	113.39
Check #R1,761,619 dated November 7, 1983	88.39	25.00	113.39
Check #R1,775,521 dated December 6, 1983	88.39	25.00	113.39
Check #R1,789,313 dated January 9, 1984	88.39	25.00	113.39
Check #R1,803,206 dated February 3, 1984	88.39	25.00	113.39
Check #R1,817,456 dated March 7, 1984	88.39	25.00	113.39
Check #R1,831,373 dated April 6, 1984	88.39	25.00	113.39
Check #R1,845,297 dated May 4, 1984	88.39	25.00	113.39
Check #R1,859,308 dated June 6, 1984	88.39	25.00	113.39

Check #R1,873,352 dated July 10, 1984	88.39	25.00	113.39
Check #R1,887,579 dated August 10, 1984	88.39	25.00	113.39
Check #R1,902,057 dated September 7, 1984	88.39	25.00	113.39
Check #R1,916,724 dated October 4, 1984	88.39	25.00	113.39
Check #R1,931,273 dated November 7, 1984	88.39	25.00	113.39
Check #R1,945,715 dated December 7, 1984	88.39	25.00	113.39
Check #R1,974,386 dated February 8, 1985	107.39	25.00	132.39
Check #R1,988,841 dated March 6, 1985	107.39	25.00	132.39
Check #R2,003,342 dated April 5, 1985	107.39	25.00	132.39
Check #R2,062,119 dated August 1, 1985	107.39	25.00	132.39
Marem E. Brown 3311 Kirby Avenue Louisville, KY 40211	2,020.58	550.00	2,570.58
Check #R2,020,995 dated May 6, 1985			
Louvena R. Bellamy Route 9 Box 52 Richmond, KY 40475	29.49	25.00	54.49

(2) The Cabinet for Human Resources is authorized to make payment from their unemployment compensation fund for State Treasury checks payable to the persons or their personal representatives but not presented for payment within a period of five (5) years from the date of issuance of the checks, the sums listed below:

	Payee	Treasury Fee	Total Check
Check #U6,674,893 dated May 19, 1983			
Jerry C. Wells P.O. Box 431 Viper, KY 41774	131.00	25.00	156.00
Check #U7,749,507 dated January 11, 1984	203.00	25.00	228.00
Check #U7,829,851 dated January 25, 1984	203.00	25.00	228.00
Check #U7,890,192 dated February 7, 1984	203.00	25.00	228.00
Check #U7,954,070 dated February 22, 1984	203.00	25.00	228.00
Check #U8,013,761 dated March 6, 1984	203.00	25.00	228.00
Check #U8,075,727 dated March 20, 1984	203.00	25.00	228.00
Check #U8,131,163 dated April 3, 1984	203.00	25.00	228.00
Check #U8,183,146 dated April 17, 1984	203.00	25.00	228.00
Check #U8,231,857 dated May 1, 1984	203.00	25.00	228.00
Check #U8,277,920 dated May 15, 1984	203.00	25.00	228.00
Check #U8,321,246 dated May 30, 1984	203.00	25.00	228.00
Check #U8,360,906 dated June 12, 1984	203.00	25.00	228.00
Check #U8,402,652 dated June 27, 1984	203.00	25.00	228.00
Check #U8,440,202 dated July 11, 1984	203.00	25.00	228.00
Check #U8,477,327 dated July 24, 1984	203.00	25.00	228.00
Check #U8,518,282 dated August 8, 1984	203.00	25.00	228.00
Check #U8,552,508 dated August 21, 1984	203.00	25.00	228.00
Check #U8,588,357 dated September 5, 1984	203.00	25.00	228.00
Check #U8,621,394 dated September 18, 1984	203.00	25.00	228.00
James A. Polston P.O. Box 595 Russell Springs, KY 42642	3,857.00	475.00	4,332.00

Section 3. The persons and companies named above having in good faith furnished the services, supplies, and materials listed, and the Commonwealth having received the benefits, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

The Committee Substitute to **HB 665** is as follows:

HB 665, AN ACT authorizing the payment of certain claims against the state which have been duly audited and approved according to law, and have not been paid because of the lapsing or insufficiency of former appropriations against which claims were chargeable and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. (1) There is appropriated out of the General Fund in the State Treasury for the purpose of compensating persons and companies herein named for claims which have been duly audited and approved according to law, but which have not been paid because of lapsing or insufficiency of former appropriations against which the claims were chargeable, the sums listed below:

Deloitte and Touche 510 West Broadway Louisville, Kentucky 40202-2226	$ 8,000.00
SSC Inc. Calloway Service Industrial Road P.O. Box 750 Murray, Kentucky 42071	29.90
Stoll, Keenon and Park 1000 First Security Plaza Lexington, Kentucky 40507-1380	12,984.03
Orrahood, Wilson, and Clark, PSC P.O. Box 1446 Owensboro, Kentucky 42302	4,000.00
Dr. Charles Stephens St. Luke Hospital, Inc. 85 North Grand Avenue Fort Thomas, Kentucky 41075	5,750.00
Laboratory Associates 202 French Street Elizabethtown, Kentucky 42701	5,500.00
Elmer W. Ylitalo, P.S.C. Western Baptist Hospital Paducah, Kentucky 42001	2,250.00
Shuffett and Paris 403 Security Trust Building 271 West Short Lexington, Kentucky 40507-1292	1,976.62
Robert L. Bender	6,856.50
James R. Goodman	6,476.10
James E. Henson	6,174.00
Hugh L. Smith III	5,000.00
Louis Tandy	2,500.00
Commonwealth of Kentucky Department of Parks Capital Plaza Tower 500 Mero Street 11th Floor Frankfort, Kentucky 40601-1974	
Lindsey Wilson College Columbia, Kentucky 42728 Attn: Jo Bailey, Student Accounts/Evening College	26.75
Plangraphics, Inc. 202 West Main Street Frankfort, Kentucky 40601-1806	4,832.00

Brown, Todd and Heyburn 1600 Citizens Plaza Louisville, Kentucky 40202-2873	36,731.70
William C. Ramsey, M.D. 3600 Glenview Avenue Glenview, Kentucky 40025	8,000.00
C. C. Moore Co., Inc. P. O. Box 307 Frankfort, KY 40601	12,711.80
C. M. Management Services 698 Perimeter Drive, Suite 200 Lexington, Kentucky 40517	1,800.00
Union County Attorney P.O. Box 6, Courthouse Morganfield, Kentucky 42437	1,770.66
Mercer County Attorney's Office 111 Short Street Harrodsburg, Kentucky 40330	133.18
Powell County Attorney P.O. Box 189 Stanton, Kentucky 40380	442.01
Jessamine County Attorney 109 South First Street Nicholasville, Kentucky 40356	714.17
Office of Scott County Attorney Scott County Courthouse P.O. Box 582 Georgetown, Kentucky 40324	1,942.93
Michael D. Bruner c/o Barbara Vogler Commonwealth of Kentucky Finance and Administration Cabinet Office of Management and Fiscal Affairs Capitol Annex, Second Floor	495.14
Office of Bath County Attorney 115 Court Street Box 580 Owingsville, Kentucky 40360	255.59
Nancy Creamer Water Quality Laboratory Heidelberg College 310 East Market Street Tiffin, Ohio 44883	4,920.00
American Scale Corporation P.O. Box 91437 Louisville, KY 40291	5,030.00
BGM Equipment P.O. Box 11726 1095B Majaun Road Lexington, KY 40511	4,234.00
ACETY-ARC, INC.	

Box 2446 Paducah, Kentucky 42002-2446	5,460.00
BP Oil Company P.O. Box 94672 Cleveland, Ohio 44101-4672	126.32
Goss & Goss Attorneys at Law P.O. Box 897 Harlan, Kentucky 40831	3,375.00
Wyatt, Tarrant & Combs 2600 Citizens Plaza Louisville, Kentucky 40202 Attn: Kimberly Green	2,670.35

(2) The following claims are for the payment of State Treasury checks payable to the persons, or their personal representatives, and the firms listed, but not presented for payment within a period of five (5) years from the date of issuance of the checks as required by KRS 41.370 and 413.120.

	Payee	Treasury Fee	Total Check
Check #591429 dated May 9, 1956			
James M. Gloor 3109 Chickadee Road Louisville, KY 40218	6.35	25.00	31.35
Check #374150 dated March 28, 1962			
Gene Frederick Mills 9409 Springwater Drive Dallas, TX 75228	11.00	25.00	36.00
Check #T3,831,322 dated June 21, 1974			
Robert J. and K. Hand 1067 Squire Road Nortonville, KY 42442	20.00	25.00	45.00
Check #P8586081 dated August 7, 1975	22.07	25.00	47.07
Check #P8917724 dated October 17, 1975	163.30	25.00	188.30
Check #P9057217 dated November 20, 1975	22.07	25.00	47.07
Check #G3533188 dated December 19, 1975	3.70	25.00	28.70
Check #G3533189 dated December 19, 1975	138.85	25.00	163.85
Check #G3533190 dated December 19, 1975	187.24	25.00	212.24
Check #G3559171 dated January 9, 1976	25.04	25.00	50.04
Check #G3646452 dated February 27, 1976	218.79	25.00	243.79
Check #P9,546,142 dated March 10, 1976	210.37	25.00	235.37
Check #P9,546,144 dated March 10, 1976	116.22	25.00	141.22
Check #P9,587,138 dated March 19, 1976	116.22	25.00	141.22
Check #P9,727,092 dated April 23, 1976	69.15	25.00	94.15
Check #P9,995,727 dated June 22, 1976	22.07	25.00	47.07
Check #P0,076,411 dated July 8, 1976	22.07	25.00	47.07
Dr. H.B. Bradford Medical Arts Building 1010 Woodland Drive Elizabethtown, KY 42701	1,337.16	350.00	1,687.16

Check #P1,110,081 dated February 23, 1977			
Agnel Short H C #73 Box 380 Garner, KY 41817	166.44	25.00	191.44
Check #T6,033,796 dated May 9, 1977			
Edison E. Stidham Box 365 Hazard, KY 41701	10.13	25.00	35.13
Check #G4,914,411 dated February 3, 1978			
Patsy Cartmel Route 2 Box 309 Catlettsburg, KY 41129	2,439.76	271.08	2,710.84
Check #T7,046,530 dated July 10, 1978	172.92	25.00	197.92
Check #T7,910,748 dated July 5, 1979	26.45	25.00	51.45
James R. and B.R. Hayhurst c/o Gay Huntsman, Collections and Foreign Exchange Commerce Natl. Bank P.O. Box 14400 Lexington, KY 40512-4400	199.37	50.00	249.37
Check #G6,407,031 dated January 18, 1980			
The Payne Rice Estate c/o Roger L. Massengale Wells, Porter, Schmitt & Walker P.O. Box 1179 Paintsville, KY 41240-5179	3,150.00	350.00	3,500.00
Check #G6,639,433 dated April 25, 1980			
Dave N. Miller c/o Margaret N. Smith Commonwealth of Kentucky Transportation Cabinet Division of Accounts Frankfort, KY 40622	48.12	25.00	73.12
Check #T8,546,719 dated May 9, 1980			
William C. and W.L. Arnett Route 5, Box 378 Mayfield, KY 42066	13.47	25.00	38.47
Check #G6,840,507 dated August 8, 1980			
Jessie N. Young P.O. Box 38 Allensville, KY 42204-0038	47.20	25.00	72.20
Check #M1,598,541 dated December 30, 1980			
R.P. Owen, O.D. 117 West Ninth Street P.O. Box 786 Hopkinsville, KY 42240	150.50	25.00	175.50

Check #G7,186,909 dated January 21, 1981			
Estate of Lucy L. Hayden c/o Louis D. Jumpper, Adm. 839 W. Larkspur Dr. Jeffersonville, IN 47130	240.30	26.70	267.00
Check #A4,344,149 dated July 1, 1981			
Shannon L. Shields 2444 Bradley Circle Ashland, KY 41102	137.00	25.00	162.00
Check #G8,175,728 dated April 29, 1982			
Hardin County Bd. of Edu. c/o J-Mar Services, Inc. P.O. Box 2773 Tulsa, OK 74101	6,850.80	761.20	7,612.00
Check #P0,694,892 dated May 24, 1982			
Mary K. Cox c/o Rod Lewis, Payroll Adm. Commonwealth of Kentucky Department of Parks Capital Plaza Tower Frankfort, KY 40601-1974	297.94	33.11	331.05
Check #G2,076,956 dated February 6, 1987			
Whitley County Bd. of Education c/o Scottville, Cessna, Crawford P.S.C. 105 North Main Street London, KY 40741	18,720.00	2,080.00	20,800.00
Check #T0,875,894 dated February 18, 1983			
Velora B. Profitt 150 Rugby Road Lexington, KY 40504	13.37	25.00	38.37
Check #T1,562,133 dated July 26, 1983	121.46	25.00	146.46
Check #T1,568,480 dated August 16, 1983	552.95	61.44	614.39
David J. and P.P. Stender 1058 Berkshire Lane Russell, KY 41169	674.41	86.44	760.85
Check #G9,215,531 dated October 5, 1983			
Maryland Casualty Co. c/o InterSource Inc. P.O. Box 2773 Tulsa, OK 74101	3,600.00	400.00	4,000.00
Check #G9,247,772 dated October 21, 1983	608.40	67.60	676.00
Check #G9,247,919 dated October 21, 1983	3,174.62	352.74	3,527.36
CNA Insurance c/o InterSource Inc. P.O. Box 2773 Tulsa, OK 74101	3,783.02	420.34	4,203.36

Check #G9,656,329 dated April 25, 1984			
United States Fire Ins. Co. c/o InterSource Inc. P.O. Box 2773 Tulsa, OK 74101	13,500.00	1,500.00	15,000.00
Check #G9,658,197 dated April 26, 1984	4,177.40	464.16	4,641.56
Check #G9,658,198 dated April 26, 1984	720.00	80.00	800.00
J.S. Alberici Const. Co., Inc. c/o InterSource Ins. P.O. Box 2773 Tulsa, OK 74101	4,897.40	544.16	5,441.56
Check #A6,719,267 dated May 1, 1984	137.00	25.00	162.00
Check #A6,836,424 dated June 1, 1984	137.00	25.00	162.00
Teresa Smith Weaver Box 9 Grand Rivers, KY 42045	274.00	50.00	324.00
Check #T2,398,966 dated June 27, 1984			
Kevin L. Worrell P.O. Box 362 Richmond, KY 40475	4.60	25.00	29.60
Check #G9,820,305 dated August 2, 1984	751.88	83.54	835.42
Check #G9,830,109 dated August 6, 1984	24.20	25.00	49.20
Check #P2,977,934 dated August 13, 1984	44.87	25.00	69.87
Woodford May c/o Lois Pulliam, Payroll Clerk Commonwealth of Kentucky Leg. Research Comm. State Capitol Frankfort, KY 40601	820.95	133.54	954.49
Check #G9,922,284 dated September 24, 1984			
Lexington-Fayette Urban County Govt. 200 East Main Street Lexington, KY 40507	3,150.00	350.00	3,500.00
Check #G9,967,268 dated October 12, 1984			
Farmers Bank Realty Co. P.O. Box 309 Frankfort, KY 40602	10,772.10	1,196.90	11,969.00
Check #G0,026,404 dated November 1, 1984			
Laura Burnett and National Flood Ins. c/o Phyllis B. Honshell P.O. Box 307 Wayland, KY 41666	29.00	25.00	54.00
Check #G0,037,796 dated November 5, 1984			
Hillendale Coal Corp. c/o Henry Hamilton, Jr. P.O. Box 290 McDowell, KY 41647	5,940.00	660.00	6,600.00

Check #P3,167,647 dated November 9, 1984			
George Ann Lowe c/o Morris Lowe Milliken Law Firm P.O. Box 1640 Bowling Green, KY 42102-1640	190.44	25.00	215.44
Check #G0,227,861 dated January 8, 1985			
Hopkins County Health Dept. P.O. Box 1266 Madisonville, KY 42431	282.83	31.43	314.26
Check #G0,262,467 dated January 17, 1985	2,351.29	261.25	2,612,54
Check #G0,262,506 dated January 17, 1985	2,204.37	244.93	2,449.30
Check #G0,621,729 dated June 28, 1985	2,250.00	250.00	2,500.00
Island Creek Corporation c/o The Coastland Group, Inc. 5 Cabot Place Stoughton, MA 02072	6,805.66	756.18	7,561.84
Check #G0,273,498 dated January 21, 1985			
Ryder Truck Rental c/o The Coastland Group, Inc. 5 Cabot Place Stoughton, MA 02072	2,604.97	289.44	2,894.41
Check #G0,309,829 dated February 5, 1985			
Machinery Specialities and Engineering Co. P.O. Box 99335 Louisville, KY 40299-0335	592.20	65.80	658.00
Check #T2,459,496 dated February 13, 1985			
Neal and Karen Ventura 4689 Idlewild Burlington, KY 41005	466.20	51.80	518.00
Check #G0,341,984 dated February 21, 1985			
Executone of KY, Inc. c/o The Coastland Group, Inc. 5 Cabot Place Stoughton, MA 02072	1,867.50	207.50	2,075.00
Check #T2,771,229 dated April 4, 1985			
Pamela Knox 1502 South Wilson Road Elizabethtown, KY 42701	21.80	25.00	46.80
Check #G0,448,423 dated April 12, 1985			
Lenihan Enterprises, Inc. c/o The Coastland Group, Inc. 5 Cabot Place Stoughton, MA 02072	1,489.50	165.50	1,655.00
Check #T3,080,513 dated May 10, 1985			
Donald J., Jr. and D. Gedling RR 2 Hardinsburg, KY 40143	338.62	37.63	376.25

Check #T3,221,165 dated May 28, 1985			
Helen D. Wolford P.O. Box 115 Phelps, KY 41553	169.14	25.00	194.14
Check #G0,623,193 dated July 15, 1985			
City of Leitchfield c/o FullCircle Serv., Inc. P.O. Box 3388 Tulsa, OK 74101-3388	2,437.05	270.78	2,707.83
Check #T3,318,628 dated September 13, 1985			
Viva Jean Herman c/o Mark O. Vetter, Guardian 4915 Larwell Drive Columbus, Ohio 43220	2,454.76	272.75	2,727.51
Check #P4,038,657 dated October 16, 1985	248.73	27.64	276.37
Check #P4,041,157 dated October 21, 1985	194.17	25.00	219.17
Mary F. League 115 Tulip Drive Frankfort, KY 40601	442.90	52.64	495.54
Check #G1,123,345 dated January 9, 1986			
Bowling Green Municipal Utilities P.O. Box 10300 Bowling Green, KY 42102-4300	1,800.00	200.00	2,000.00
Check #G1,231,744 dated February 28, 1986			
Terrance White c/o Lee Roy Liquor, Inc. 2631 West Broadway Louisville, KY 40210	277.20	30.80	308.00
Check #T3,520,272 dated March 11, 1986			
J.T. and L. Berry P.O. Box 9104 Pleasant View, KY 40769	51.55	25.00	76.55
Check #P4,456,128 dated March 24, 1986			
Janine M. Cunningham c/o Arlene Chenault Commonwealth of Kentucky Transportation Cabinet Division of Accounts Frankfort, KY 40622	60.42	25.00	85.42
Check #G1,293,626 dated March 31, 1986			
Volunteers of America c/o The Coastland Group, Inc. 5 Cabot Place Stoughton, MA 02072	1,125.00	125.00	1,250.00

Check #G1,360,315 dated May 2, 1986			
IMB Corporation c/o FullCircle Serv., Inc. P.O. Box 3388 Tulsa, OK 74101-3388	93.00	25.00	118.00
Check #T3,919,283 dated May 8, 1986			
James Jr. and L.E. Treece 2106 Crystal Drive LaGrange, KY 40031	4.00	25.00	29.00
Check #G1,571,578 dated August 8, 1986			
Illinois Tool Works c/o Argent Research and Recovery, Ltd. 53 Clinton Place Newton Centre, MA 02159	1,609.20	178.80	1,788.00
Check #G1,771,567 dated November 4, 1986			
Arch on the North Fork, Inc. c/o Barbara B. Edelman Wyatt, Tarrant and Combs Lexington Financial Ctr. Lexington, KY 40507	4,050.00	450.00	4,500.00

Section 2. The Finance and Administration Cabinet and the State Treasurer are hereby authorized to pay the following listed claims from the following funds:

(1) The Kentucky Retirement Systems is authorized to make payment from their retirement fund for State Treasury checks payable to the persons or their personal representatives but not presented for payment within a period of five (5) years from the date of issuance of the checks, the sums listed below:

	Payee	Treasury Fee	Total Check
Check #R1,526,695 dated May 7, 1982	2.36	25.00	27.36
Check #R1,842,499 dated April 6, 1984	5.81	25.00	30.81
Emma Dalton 2908 Fifth Street Rapid City, S.D. 57701	8.17	50.00	58.17
Check #R1,705,565 dated July 7, 1983	88.39	25.00	113.39
Check #R1,719,414 dated August 4, 1983	88.39	25.00	113.39
Check #R1,733,275 dated September 7, 1983	88.39	25.00	113.39
Check #R1,747,556 dated October 7, 1983	88.39	25.00	113.39
Check #R1,761,619 dated November 7, 1983	88.39	25.00	113.39
Check #R1,775,521 dated December 6, 1983	88.39	25.00	113.39
Check #R1,789,313 dated January 9, 1984	88.39	25.00	113.39
Check #R1,803,206 dated February 3, 1984	88.39	25.00	113.39
Check #R1,817,456 dated March 7, 1984	88.39	25.00	113.39
Check #R1,831,373 dated April 6, 1984	88.39	25.00	113.39
Check #R1,845,297 dated May 4, 1984	88.39	25.00	113.39
Check #R1,859,308 dated June 6, 1984	88.39	25.00	113.39
Check #R1,873,352 dated July 10, 1984	88.39	25.00	113.39
Check #R1,887,579 dated August 10, 1984	88.39	25.00	113.39
Check #R1,902,057 dated September 7, 1984	88.39	25.00	113.39
Check #R1,916,724 dated October 4, 1984	88.39	25.00	113.39
Check #R1,931,273 dated November 7, 1984	88.39	25.00	113.39
Check #R1,945,715 dated December 7, 1984	88.39	25.00	113.39

Check #R1,974,386 dated February 8, 1985	107.39	25.00	132.39
Check #R1,988,841 dated March 6, 1985	107.39	25.00	132.39
Check #R2,003,342 dated April 5, 1985	107.39	25.00	132.39
Check #R2,062,119 dated August 1, 1985	107.39	25.00	132.39
Marem E. Brown 3311 Kirby Avenue Louisville, KY 40211	2,020.58	550.00	2,570.58
Check #R2,020,995 dated May 6, 1985			
Louvena R. Bellamy Route 9 Box 52 Richmond, KY 40475	29.49	25.00	54.49

(2) The Cabinet for Human Resources is authorized to make payment from their unemployment compensation fund for State Treasury checks payable to the persons or their personal representatives but not presented for payment within a period of five (5) years from the date of issuance of the checks, the sums listed below:

	Payee	Treasury Fee	Total Check
Check #U6,674,893 dated May 19, 1983			
Jerry C. Wells P.O. Box 431 Viper, KY 41774	131.00	25.00	156.00
Check #U7,749,507 dated January 11, 1984	203.00	25.00	228.00
Check #U7,829,851 dated January 25, 1984	203.00	25.00	228.00
Check #U7,890,192 dated February 7, 1984	203.00	25.00	228.00
Check #U7,954,070 dated February 22, 1984	203.00	25.00	228.00
Check #U8,013,761 dated March 6, 1984	203.00	25.00	228.00
Check #U8,075,727 dated March 20, 1984	203.00	25.00	228.00
Check #U8,131,163 dated April 3, 1984	203.00	25.00	228.00
Check #U8,183,146 dated April 17, 1984	203.00	25.00	228.00
Check #U8,231,857 dated May 1, 1984	203.00	25.00	228.00
Check #U8,277,920 dated May 15, 1984	203.00	25.00	228.00
Check #U8,321,246 dated May 30, 1984	203.00	25.00	228.00
Check #U8,360,906 dated June 12, 1984	203.00	25.00	228.00
Check #U8,402,652 dated June 27, 1984	203.00	25.00	228.00
Check #U8,440,202 dated July 11, 1984	203.00	25.00	228.00
Check #U8,477,327 dated July 24, 1984	203.00	25.00	228.00
Check #U8,518,282 dated August 8, 1984	203.00	25.00	228.00
Check #U8,552,508 dated August 21, 1984	203.00	25.00	228.00
Check #U8,588,357 dated September 5, 1984	203.00	25.00	228.00
Check #U8,621,394 dated September 18, 1984	203.00	25.00	228.00
James A. Polston P.O. Box 595 Russell Springs, KY 42642	3,857.00	475.00	4,332.00

Section 3. The persons and companies named above having in good faith furnished the services, supplies, and materials listed, and the Commonwealth having received the benefits, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor.

HB 704, AN ACT relating to revenue and taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 131.170 is amended to read as follows:

The Revenue Cabinet may, when extension is not otherwise provided for, grant a reasonable extension of time for filing reports or returns whenever, in its judgment, good cause therefor exists. The cabinet shall keep a record of such extensions. Except where a taxpayer is abroad, no extension shall be granted for more than six (6) months, and in no case for more than one (1) year. If any extension operates to postpone a tax payment, interest at the ***tax interest rate as defined in KRS 131.010(6)*** [~~rate of one-half of one percent (.5%) per month or part thereof~~] shall be collected. The cabinet may condition the extension upon a bond sufficient to cover any tax and penalty determined to be due. The cabinet may, on request, permit a person to file a tax return or report or pay tax on a date other than that prescribed by statute, or to change the fiscal period covered by such return or report, if ***the*** [~~such a~~] variation will not ultimately effect a reduction in revenue.

Section 2. KRS 136.050 is amended to read as follows:

(1) Except where otherwise specially provided, all corporations required to make reports to the Revenue Cabinet shall pay all taxes due the state from them into the State Treasury at the same time as natural persons are required to pay taxes, and when delinquent shall pay the same rate of interest and penalties as natural persons who are delinquent.

(2) All state taxes assessed against any corporation under the provisions of KRS 136.120 to 136.200 shall be due and payable as provided in KRS 131.110. All county, city, school, and other taxes so assessed shall be due and payable thirty (30) days after notice of the amount of the tax is given by the collecting officer. The state, county, city, school, and other taxes found to be due on any protested assessment or portion thereof shall begin to bear legal interest on the sixty-first day after the Kentucky Board of Tax Appeals acknowledges receipt of a protest of any assessment or enters an order to certify the unprotested portion of any assessment until paid, except that in no event shall interest begin to accrue prior to January 1 following April 30 of the year in which the report is due. Every corporation so assessed that fails to pay its taxes when due shall be deemed delinquent, a penalty of ten percent (10%) on the amount of the tax shall attach, and thereafter the tax shall bear interest at the ***tax interest rate as defined in KRS 131.010(6)*** [~~rate of ten percent (10%) per annum~~].

Section 3. KRS 137.180 is amended to read as follows:

(1) Each person engaged in the business of conducting a race track shall, on or before thirty (30) days following the close of each duly licensed race meeting, furnish the Revenue Cabinet a verified report of the number of days on which races were conducted on that race track during the race meeting, together with a statement of its daily mutuel handle for each [~~such~~] day during the [~~said~~] meeting, and at the same time pay to the state the tentatively correct amount of the license tax apparently due it pursuant to KRS 137.170.

(2) On or before December 31 in each year each [~~such~~] person ***engaged in the business of conducting a race track*** shall file a final report with the Revenue Cabinet giving in summary form a recapitulation of the information furnished by the previous tentative reports filed during the year, computing the final license tax due the state for the year ending November 30 and showing the amount of license tax actually paid during ***the*** [~~such~~] year. Any balance of license tax due the state as shown on ***the*** [~~said~~] final report shall be paid at the same time as the filing thereof. Any overpayment in license tax disclosed by ***the*** [~~said~~] final report shall, at the option of the taxpayer, be promptly refunded by the state or credited against the license tax to be due from the taxpayer in the following year.

(3) Any person who fails to pay the tax due in the time specified shall pay a penalty equal to twenty percent (20%) of the amount of tax due and delinquent, together with interest at ***the tax interest rate as defined in KRS 131.010(6)*** [~~six percent (6%) per annum on both the original tax and the penalty~~].

Section 4. KRS 138.4631 is amended to read as follows:

(1) If any holder of a permit under KRS 138.463(2) fails or refuses to file a return or furnish any information requested in writing, the cabinet may, from any information in its possession, make an estimate of the permit holder's gross rental or lease charges and issue an assessment against ***the*** [~~such~~] permit holder based on the estimated gross rental or lease charges and add a penalty of ten percent (10%) of the amount of the assessment so determined. This penalty shall be in addition to all other applicable penalties provided by law.

(2) If any holder of a permit under KRS 138.463(2) fails to make and file a return required by KRS 138.463 on or before the due date of the return or the due date as extended by the cabinet, then, unless it is shown to the satisfaction of the cabinet that the failure is due to a reasonable cause, five percent (5%) of the tax found to be due shall be added to the tax for each thirty (30) days or fraction thereof elapsing between the due date of the return and the date on which filed, but the total penalty shall not exceed twenty-five percent (25%) of the tax; provided, however, that in no case shall the penalty be less than ten dollars ($10).

(3) If the tax imposed by KRS 138.463, whether assessed by the cabinet or the permit holder, or any installment or portion of the tax is not paid on or before the date prescribed for its payment, there shall be collected, as a part of the tax, interest upon the unpaid amount at the ***tax interest rate as defined in KRS 131.010(6)*** [~~rate of twelve percent (12%) per annum~~] from the date prescribed for its payment until payment is actually made.

Section 5. KRS 139.610 is amended to read as follows:

(1) The cabinet shall upon written request received on or prior to the due date of the return or tax, for good cause satisfactory to the cabinet, extend the time for filing the return or paying the tax for a period not exceeding thirty (30) days.

(2) Any person to whom an extension is granted and who pays the tax within the period for which the extension is granted shall pay, in addition to the tax, interest at the ***tax interest rate as defined in KRS 131.010(6)*** [~~rate of eight percent (8%) per annum~~] from the date on which the tax would otherwise have been due.

Section 6. KRS 140.210 is amended to read as follows:

(1) All taxes imposed by this chapter, unless otherwise provided in this chapter, shall be due and payable to the Revenue Cabinet at the death of the decedent. If they are paid within nine (9) months a discount of five percent (5%) shall be allowed, and if they are paid within eighteen (18) months no interest shall be charged and collected thereon. If the taxes due are not paid within eighteen (18) months, a penalty of ten percent (10%) per annum shall be charged and collected from the time the taxes accrued, except in cases where, by reason of claims made upon the estate, necessary litigation, or other unavoidable cause of delay, the estate of the decedent or a part thereof cannot be settled at the end of eighteen (18) months from the death of the decedent. In such cases ***interest at the tax interest rate as defined in KRS 131.010(6)*** [~~only eight percent (8%) per annum~~] shall be charged upon the tax from the expiration of ***the*** [~~said~~] eighteen (18) months until the cause of the delay is removed.

(2) In all cases where the personal representatives or trustees do not pay the taxes within eighteen (18) months from the death of the decedent, they shall be required to give bond in the form and to the effect prescribed by the cabinet, for the payment of the taxes and interest.

Section 7. KRS 140.320 is amended to read as follows:

In the event a qualified person sells, conveys, or otherwise transfers the ownership, directly or indirectly, of the qualified real estate to any person or persons other than another qualified person who is a joint owner or the qualified real estate is converted to a use other than agricultural or horticultural use, then the qualified persons to whom the property passed at the death of the decedent in whose estate the agricultural or horticultural value shall cause to be paid, pursuant to ***administrative*** regulations ***promulgated*** [~~issued~~] by the Revenue Cabinet, the additional inheritance tax that would have been due on the decedent's estate if fair market value had been used to compute the tax due on the estate rather than the agricultural or horticultural value, along with interest on the unpaid tax at the ***interest rate as defined in KRS 131.010(6)*** [~~rate of eight percent (8%) per annum~~].

Section 8. KRS 143A.110 is amended to read as follows:

In every case, any tax not paid on or before the due date shall bear interest at the ***tax interest rate as defined in KRS 131.010(6)*** [~~rate of ten percent (10%) per annum~~] from the date due until the date of payment.

Section 9. KRS 234.420 is amended to read as follows:

(1) If any liquefied petroleum gas motor fuel dealer neglects or refuses to make the return required by KRS 234.370 or to pay the tax at the time provided, a penalty of twenty percent (20%) thereof and interest at ***tax interest rate as defined in KRS 131.010(6)*** [~~six percent (6%) per annum~~] from the date when due shall be paid as a part of the tax. If collected by proceedings in court, an additional penalty of twenty percent (20%) shall be collected and distributed as is authorized by KRS 134.400 and 135.060.

(2) If any taxpayer subject to the penalty provided in subsection (1) of this section submits in writing to the cabinet his reasons for failure to comply with KRS 234.370, and if the cabinet finds the reasons evidence of justifiable cause for modifying the penalty provided in subsection (1) of this section, it may modify the penalty exacted therein to five percent (5%) of the amount of the tax due and delinquent, provided the five percent (5%) penalty may be reduced to a one percent (1%) penalty if the violation is the first violation by the taxpayer within twelve (12) months.

(3) Any liquefied petroleum gas motor fuel dealer who fails to make any return required under KRS 234.370 within the time required shall pay a penalty of ten dollars ($10) to be assessed and collected in the manner provided for the assessment and collection of taxes under KRS 234.310 to 234.440 or in a civil action initiated by the cabinet. In addition ***the*** [~~such~~] delinquent taxpayer may be compelled to make the required report or return.

Section 10. KRS 140.320 is amended to read as follows:

If, within five (5) years after the death of the decedent, [~~In the event~~] a qualified person sells, conveys, or otherwise transfers the ownership, directly or indirectly, of the qualified real estate to any person or persons other than another qualified person who is a joint owner or the qualified real estate is converted to a use other than agricultural or horticultural use, then the qualified persons to whom the property passed at the death of the decedent in whose estate the agricultural or horticultural value ***was reported*** shall cause to be paid, pursuant to ***administrative*** regulations ***promulgated*** [~~issued~~] by the Revenue Cabinet, the additional inheritance tax that would have been due on the decedent's estate if fair market value had been used to compute the tax due on the estate rather than the agricultural or horticultural value, along with interest ***at the tax interest rate as defined in KRS 131.010(6)*** [~~on the unpaid tax at the rate of eight percent (8%) per annum~~].

SECTION 11. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

(1) Mobile homes not held for resale by a dealer shall be classified as real property for the purpose of the levy and assessment of ad valorem taxes, regardless of whether or not the wheels or mobile parts have been removed and whether or not the unit rests on a permanent, fixed foundation.

(2) Recreational vehicles shall be classified as real property if the wheels or mobile parts have been removed and the unit rests on a permanent, fixed foundation.

Section 12. KRS 132.720 is amended to read as follows:

As used in KRS 132.260 and ***Section 10 of this Act*** [~~132.720 to 132.750~~], unless the context otherwise requires:

(1) ***"Mobile home," "recreational vehicle,"*** "mobile home park" and "recreational vehicle park" have the same meanings as in KRS 219.320.

(2) "Unit" means any single mobile home or recreational vehicle.

(3) "Permanent, fixed foundation" means a foundation permanent in nature which is so constructed as to be fixed upon the surface of the land.

Section 13. KRS 132.730 is amended to read as follows:

All mobile homes and recreational vehicles which are within this state on January 1 each year shall be subject to all ad valorem tax levies applicable to other [~~tangible personal~~] property subject to full state and local rates, except that any mobile home and recreational vehicle not licensed in this state and not remaining within this state for a period of more than ninety (90) days in any twelve (12) month period shall not have a taxable situs in this state unless an occupant is employed in this state.

Section 14. KRS 132.810 is amended to read as follows:

(1) To qualify under the homestead exemption provision of the Constitution, each person claiming the exemption shall file an application with the property valuation administrator of the county in which the applicant resides, on forms prescribed by the Revenue Cabinet. The assessed value of property on which homestead exemption is claimed shall not be increased because of valuation expressed on the application form filed with the property valuation administrator, and whenever it becomes known that the valuation of property subject to the homestead tax exemption has been increased because of valuation expressed on the application form, adjustment shall be made the following year so that the total tax paid by the taxpayer is the same as if the increase had not been made.

(2) (a) Every person filing an application for exemption under the homestead exemption provision must be sixty-five (65) years of age or older during the year for which application is made or must have been classified as totally disabled under a program authorized or administered by an agency of the United States government or by the Railroad Retirement System on January 1 of the year in which application is made.

(b) Every person filing an application for exemption under the homestead exemption provision must own and maintain the property for which the exemption is sought as his personal residence.

(c) Every person filing an application for exemption under the disability provision of the homestead exemption must have received disability payments pursuant to the disability and must maintain the disability classification through December 31 of the year in which application is made.

(d) Every person filing for the homestead exemption who is totally disabled and is less than sixty-five (65) years of age must apply for the homestead exemption on an annual basis.

(e) Only one (1) exemption per residential unit shall be allowed even though the resident may be sixty-five (65) years of age and also totally disabled, and regardless of the number of residents sixty-five (65) years of age or older occupying ***the*** [~~said~~] unit, but the sixty-five hundred dollars ($6,500) exemption shall be construed to mean sixty-five hundred dollars ($6,500) in terms of the purchasing power of the dollar in 1972. Every two (2) years thereafter, if the cost of living index of the United States Department of Labor has changed as much as one percent (1%), the maximum exemption shall be adjusted accordingly.

(f) The real property may be held by legal or equitable title, by the entireties, jointly, in common, as a condominium, or indirectly by the stock ownership or membership representing the owner's or member's proprietary interest in a corporation owning a fee or a leasehold initially in excess of ninety-eight (98) years. The exemption shall apply only to the value of the real property assessable to the owner or, in case of ownership through stock or membership in a corporation, the value of the proportion which his interest in the corporation bears to the assessed value of the property.

(g) A mobile home, recreational vehicle, ***when classified as real property as provided for in Section 11 of this Act,*** or ***a*** manufactured house ***shall*** [~~may~~] qualify as a residential unit for purposes of the homestead exemption provision [~~provided the unit is classified as real property as defined in KRS 132.750~~].

(h) When title to property which is exempted, either in whole or in part, under the homestead exemption is transferred, the owner, administrator, executor, trustee, guardian, conservator, curator, or agent shall report such transfer to the property valuation administrator.

(3) Notwithstanding any statutory provisions to the contrary, the provisions of this section shall apply to the assessment and taxation of property under the homestead exemption provision for state, county, city, or special district purposes.

(4) The provisions of this section shall become effective with the 1982 taxable year and persons eligible for a homestead exemption under this section, who have not previously filed under the age provision of the homestead exemption, shall file applications by December 31 of the taxation period.

(a) The homestead exemption for disabled persons shall terminate whenever those persons no longer meet the total disability classification or at the end of the taxation period for which the homestead exemption has been granted.

(b) Any totally disabled person granted the homestead exemption under the disability provision shall report any change in disability classification to the property valuation administrator in the county in which the homestead exemption is authorized.

(c) Any person making application and qualifying for the homestead exemption before payment of his property tax bills for the year in question shall be entitled to a full or partial exoneration, as the case may be, of the property tax due to reflect the taxable assessment after allowance for the homestead exemption.

(d) Any person making application and qualifying for the homestead exemption after property tax bills have been paid shall be entitled to a refund of the property taxes applicable to the value of the homestead exemption.

Section 15. KRS 133.230 is amended to read as follows:

Upon receipt of a certification of omitted property by the property valuation administrator or by the Revenue Cabinet, the county clerk shall make out for the use of the sheriff or collector a tax bill for each taxpayer who owes omitted taxes. The omitted tax bills shall be attested by the clerk in the same manner as the tax bills described in KRS 133.220. The clerk shall deliver the omitted tax bill to the sheriff or collector as soon as the omitted [~~poll or~~] property has been finally assessed.

Section 16. KRS 136.020 is amended to read as follows:

[~~(1)~~] The property of all corporations, except where otherwise provided by law, shall be assessed in the name of the corporation in the same manner as that of a natural person, except that, when legally called on, the chief officer shall report a full statement of the property of the corporation for taxation, and, for a failure, shall be subject to the penalties provided by law for a similar failure by a natural person in listing his property.

[~~(2) Each county clerk shall furnish to the Revenue Cabinet, on blanks provided by the cabinet, a statement of the assessed value of the tangible property of all corporations paying a franchise or other tax under this chapter.~~]

Section 17. KRS 136.392 is amended to read as follows:

(1) (a) Every domestic, foreign, or alien insurer, other than life and health insurers, which is either subject to or exempted from Kentucky premium taxes as levied pursuant to the provisions of either KRS 136.340, 136.350, 136.370, or 136.390, shall charge and collect a surcharge of one dollar and fifty cents ($1.50) upon each one hundred dollars ($100) of premium, assessments, or other charges, except for those municipal premium taxes, made by it for insurance coverage provided to its policyholders, on risk located in this state, whether ***the*** [~~such~~] charges are designated as premiums, assessments, or otherwise. The premium surcharge shall be collected by the insurer from its policyholders at the same time and in the same manner that its premium or other charge for the insurance coverage is collected. The premium surcharge shall be disclosed to policyholders pursuant to ***administrative*** regulations [~~which shall be~~] promulgated by the commissioner of insurance. However, no insurer or its agent shall be entitled to any portion of any premium surcharge as a fee or commission for its collection. On or before the twentieth day of each month, each insurer shall report and remit to the Revenue Cabinet, on [~~such~~] forms as it may require, all premium surcharge moneys collected by it during its preceding monthly accounting period less any [~~such~~] moneys returned to policyholders as applicable to the unearned portion of the premium on policies terminated by either the insured or the insurer. ***Insurers with an annual liability of less than one thousand dollars ($1,000) for each of the previous two (2) calendar years may report and remit to the Revenue Cabinet all premium surcharge moneys collected on a calendar year basis on or before the twentieth (20th) day of January of the following calendar year.*** The funds derived from ***the*** [~~such~~] premium surcharge, except as provided in subsection (2) of this section, shall be deposited in the State Treasury, and shall constitute a fund allocated for the uses and purposes of the Professional Firefighters Foundation Program fund (KRS 95A.220) and the Law Enforcement Foundation Program fund (KRS 15.430).

(b) Effective July 1, 1992, the surcharge rate in paragraph (a) this of subsection shall be adjusted by the secretary of revenue to a rate calculated to provide sufficient funds for the uses and purposes of the Professional Firefighters Foundation Program fund as prescribed by KRS 95A.220 and the Law Enforcement Foundation Program fund as prescribed by KRS 15.430 for fiscal year 1992-93 and fiscal year 1993-94. The rate shall be calculated using as its base the number of local government units eligible for participation in the funds under applicable statutes as of January 1, 1990. To allow the secretary of revenue to calculate an appropriate rate, the secretary for the Public Protection and Regulation Cabinet and the secretary for the Justice Cabinet shall certify to the secretary of revenue, no later than January 1, 1992, the estimated budgets for the respective funds specified above, including any surplus moneys in the funds, which shall be incorporated into the consideration of the adjusted rate for the next biennium. As soon as practical thereafter, the secretary of revenue shall advise the commissioner of insurance of the new rate and the commissioner shall inform the affected insurers. The rate adjustment process shall continue on a biennial basis following July 13, 1990.

(2) Insurance premium surcharge funds collected from the policyholders of any domestic mutual company, cooperative or assessment fire insurance company shall be deposited in the State Treasury, and shall be paid monthly by the State Treasurer into the volunteer fire department aid fund as provided in KRS 17.250; provided however, that insurance premium surcharge funds collected from the policyholders of any mutual company, cooperative or assessment fire insurance company which transfers its corporate domicile to this state from another state after July 15, 1986, shall continue to be paid into the Professional Firefighters Foundation Program fund and the Law Enforcement Foundation Program fund as prescribed herein.

(3) Within five (5) days after the end of each month, all insurance premium surcharge proceeds deposited in the State Treasury as set forth in subsection (1) of this section shall be paid by the State Treasurer into the Professional Firefighters Foundation Program fund trust and agency account and the Law Enforcement Foundation Program fund trust and agency account. The amount paid into each account shall be proportionate to each fund's respective share of the total deposits, pursuant to KRS 42.190. Moneys deposited to the Law Enforcement Foundation Program fund trust and agency account shall not be disbursed, expended, encumbered or transferred by any state official for uses and purposes other than those prescribed by KRS 15.410 to 15.500. Money deposited to the Professional Firefighters Foundation Program fund trust and agency account shall not be disbursed, expended, encumbered, or transferred by any state official for uses and purposes other than those prescribed by KRS 95A.200 to 95A.300.

Section 18. KRS 209.160 is amended to read as follows:

There is hereby created a trust and agency account in the State Treasury to be known as the spouse abuse shelter fund. Each county clerk shall remit to the fund, by the tenth (10th) of the month, ten dollars ($10) from each fourteen dollars ($14) collected during the previous month from the issuance of marriage licenses. The fund shall be administered by the ***Revenue*** Cabinet. The Cabinet ***for Human Resources*** shall use the funds for the purpose of providing protective shelter services for spouse abuse victims.

Section 19. KRS 304.11-050 is amended to read as follows:

(1) Effective with all premiums collected during the calendar year 1968, except premiums on lawfully procured surplus lines insurance, every unauthorized insurer shall pay to the ***secretary of revenue*** [~~commissioner~~] before March 1, next succeeding the calendar year in which the insurance was so effectuated, continued, or renewed, a premium tax of two percent (2%) of gross premiums charged for such insurance on subjects resident, located, or to be performed in this state. ***The*** [~~Such~~] insurance whether procured through negotiation or an application, in whole or in part occurring or made within or outside of this state, or for which premiums in whole or in part are remitted directly or indirectly from within or outside of this state, shall be deemed to be insurance procured or continued in this state. The term "premium" includes all premiums, membership fees, assessments, dues, and any other consideration for insurance. If the tax prescribed by this section is not paid within the time stated, the tax shall be increased by a penalty of twenty-five percent (25%) and by the amount of an additional penalty computed at the rate of one percent (1%) per month or any part thereof from the date ***the*** [~~such~~] payment was due to the date paid.

(2) If the policy covers risks or exposures only partly in the state, the tax payable shall be computed on the portions of the premium which are properly allocable to the risks or exposures located in the state. In determining the amount of premiums taxable in this state, all premiums written, procured, or received in this state and all premiums on policies negotiated in this state shall be deemed written on property or risks located or resident in this state, except ***those*** [~~such~~] premiums as are properly allocated or apportioned and reported as taxable premiums to any other state or states.

(3) Proration of premium taxes due from an industrial insured under a contract procured from an unauthorized insurer having property in states other than Kentucky, shall be determined by ***administrative*** [~~rules and~~] regulations promulgated by the ***secretary of revenue*** [~~commissioner~~] using the following criteria where applicable:

(a) Percentage of physical assets in Kentucky;

(b) Percentage of employee payroll in Kentucky;

(c) Percentage of sales in Kentucky; and

(d) Percentage of taxable income reportable in Kentucky.

(4) The ***secretary of revenue, or the*** Attorney General[~~,~~] upon request of the ***secretary of revenue*** [~~commissioner~~], shall proceed in the courts of this state or any other state or in any federal court or agency to recover [~~such~~] tax not paid within the time prescribed in this section.

Section 20. KRS 136.990 is amended to read as follows:

(1) [~~Any county clerk who fails to comply with the provisions of subsection (2) of KRS 136.020 shall be fined not less than ten dollars ($10) nor more than twenty-five dollars ($25).~~

~~(2)~~] Any corporation that fails to pay its taxes, penalty, and interest as provided in subsection (2) of KRS 136.050, after becoming delinquent, shall be fined fifty dollars ($50) for each day the same remains unpaid, to be recovered by indictment or civil action, of which the Franklin Circuit Court shall have jurisdiction.

(2)[~~(3)~~] Any public service corporation, or officer thereof, that willfully fails or refuses to make reports as required by KRS 136.130 and 136.140 shall be fined one thousand dollars ($1,000), and fifty dollars ($50) for each day the reports are not made after April 30 of each year.

(3)[~~(4)~~] Any superintendent of schools or county clerk who fails to report as required by KRS 136.190, or who makes a false report, shall be fined not less than fifty dollars ($50) nor more than one hundred dollars ($100) for each offense.

(4)[~~(5)~~] Any company or association that fails or refuses to return the statement or pay the taxes required by KRS 136.330 or 136.340 shall be fined one thousand dollars ($1,000) for each offense.

(5)[~~(6)~~] Any insurance company that fails or refuses for thirty (30) days to return the statement required by KRS 136.330 or 136.340 and to pay the tax required by KRS 136.330 or 136.340, shall forfeit one hundred dollars ($100) for each offense. The commissioner of insurance shall revoke the authority of the company or its agents to do business in this state, and shall publish the revocation pursuant to KRS Chapter 424.

(6)[~~(7)~~] Any person who violates subsection (3) of KRS 136.390 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500) for each offense.

(7)[~~(8)~~] Where no other penalty is mentioned for failing to do an act required, or for doing an act forbidden by this chapter, the penalty shall be not less than ten dollars ($10) nor more than five hundred dollars ($500).

(8)[~~(9)~~] The Franklin Circuit Court shall have jurisdiction of all prosecutions under subsections ***(4)*** [~~(5)~~] to ***(6)*** [~~(7)~~] of this section.

(9)[~~(10)~~] If any taxpayer fails to make or file a return as required by KRS 136.090 on or before the due date of the return, then, unless it is shown to the satisfaction of the cabinet that the failure is due to reasonable cause, five percent (5%) of the tax found to be due by the cabinet shall be added to the tax for each thirty (30) days or fraction thereof elapsing between the due date of the return and the date on which it was filed, but the total penalty shall not exceed twenty-five percent (25%) of the tax, provided, however, that in no case shall a penalty be less than ten dollars ($10).

(10)[~~(11)~~] If the tax imposed by KRS 136.070, whether assessed by the cabinet or the taxpayer, or any installment or portion of the tax, is not paid on or before the date prescribed for its payment, it shall be collected as a part of the tax, interest upon the nonpaid amount at the tax interest rate as defined in KRS 131.010(6) from the date prescribed for its payment until payment is actually made to the cabinet.

Section 21. KRS 132.020 is amended to read as follows:

(1) An annual ad valorem tax for state purposes of thirty-one and one-half cents ($0.315) upon each one hundred dollars ($100) of value of all real property directed to be assessed for taxation, and one and one-half cents ($0.015) upon each one hundred dollars ($100) of value of all privately-owned leasehold interests in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103 directed to be assessed for taxation, except that the rate shall not apply to the proportion of value of the leasehold interest created through any private financing, and one and one-half cents ($0.015) upon each one hundred dollars ($100) of value of all tobacco directed to be assessed for taxation, and twenty-five cents ($0.25) upon each one hundred dollars ($100) of value of all money in hand, shares of stock, notes, bonds, accounts, and other credits, whether secured by mortgage, pledge, or otherwise, or unsecured, except as otherwise provided in subsection (2) of this section, and one and one-half cents ($0.015) upon each one hundred dollars ($100) of value of unmanufactured agricultural products, one-tenth of one cent ($0.001) upon each one hundred dollars ($100) of value of all farm implements and farm machinery owned by or leased to a person actually engaged in farming and used in his farm operations, one-tenth of one cent ($0.001) upon each one hundred dollars ($100) of value of all livestock and domestic fowl, one-tenth of one cent ($0.001) upon each one hundred dollars ($100) of value of all tangible personal property located in a foreign trade zone as designated under 19 U.S.C. Sec. 81, fifteen cents ($0.15) upon machinery of individuals or corporations actually engaged in manufacturing, fifteen cents ($0.15) upon commercial radio, television and telephonic equipment directly used or associated with electronic equipment which broadcasts electronic signals to an antenna, fifteen cents ($0.15) upon property which has been certified as a pollution control facility as defined in KRS 224.01-300, one-tenth of one cent ($0.001) upon property which has been certified as an alcohol production facility as defined in KRS 247.910, or as a fluidized bed energy production facility as defined in KRS 211.390, twenty-five cents ($0.25) upon each one hundred dollars ($100) of value of motor vehicles qualifying for permanent registration as historic motor vehicles under the provisions of KRS 186.043, and forty-five cents ($0.45) upon each one hundred dollars ($100) of value of all other property directed to be assessed for taxation shall be paid by the owner or person assessed except as provided in subsection (2) of this section and KRS 132.030, 132.050, 132.200, 136.270, 136.300, 136.320, and other sections providing a different tax rate for particular property.

(2) An annual ad valorem tax for state purposes of one and one-half cents ($0.015) upon each one hundred dollars ($100) of value shall be paid upon the following classes of intangible personal properties, when such intangible personal properties have not acquired a taxable situs without this state:

(a) Accounts receivable, notes, bonds, credits, nondomestic bank deposits, and any other intangible property rights arising out of or created in the course of regular and continuing business transactions substantially performed outside this state;

(b) Patents, trademarks, copyrights, and licensing or royalty agreements, relating thereto; and

(c) Shares of capital stock of any affiliated company as defined in subsection (3) of this section and notes, bonds, accounts receivable, and all other intercompany intangible personal property due from such company.

(3) "Affiliated company" shall mean a parent corporation or subsidiary corporation, and any corporation principally engaged in business outside the United States in which the owner or the person assessed directly or indirectly owns or controls not less than ten percent (10%) of the outstanding voting stock.

(4) With respect to the intangible properties taxed pursuant to subsection (2) of this section, no other ad valorem tax shall be levied by the state or any county, city, school, or other taxing district on such intangible properties, or directly or indirectly against the owner with respect thereto.

(5) [~~Unmined coal and any interest therein, in whatever form held, including, but not limited to, leasehold and royalty interests shall be taxed at the rate of one-tenth of one cent ($0.001) per one hundred dollars ($100) of assessed value.~~

~~(6)~~] Thirty cents ($0.30) of the thirty-one and one-half cents ($0.315) state tax rate on real property and thirty cents ($0.30) of the forty-five cents ($0.45) state tax on tangible personalty subject to local taxation shall be considered as local school district tax levies for purposes of computing any direct payments of state or federal funds to said districts as replacement for ad valorem taxes lost on property acquired by a governmental agency. Should the equivalency ever be less than thirty cents ($0.30), as certified by the Department of Education, the direct payments shall be reduced proportionately.

(6)[~~(7)~~] The provisions of subsection (1) of this section notwithstanding, the state tax rate on real property shall be reduced to compensate for any increase in the aggregate assessed value of real property to the extent that such increase exceeds the preceding year's assessment by more than four percent (4%). In any year in which the aggregate assessed value of real property is less than the preceding year, the state rate shall be increased to the extent necessary to produce the approximate amount of revenue that was produced in the preceding year from real property.

(7)[~~(8)~~] By July 1 each year, the Revenue Cabinet shall compute the state tax rate applicable to real property for the current year in accordance with the provisions of KRS 132.020(6) and certify the rate to the county clerks for their use in preparing the tax bills. In the event the assessments for all counties have not been certified by July 1, the cabinet shall, when real property assessments of at least seventy-five percent (75%) of the total number of counties of the Commonwealth have been certified, make an estimate of the real property assessments of the uncertified counties and compute the state tax rate.

(8)[~~(9)~~] In the event that the tax rate set by the cabinet as provided in subsection *(6)* [~~(8)~~] of this section produces more than a four percent (4%) increase in real property tax revenues, the rate shall be adjusted in the succeeding year so that the cumulative total of each year's property tax revenue increase shall not exceed four percent (4%) per year.

(9)[~~(10)~~] Effective on or after January 1, 1990, an ad valorem tax for state purposes of five cents ($0.05) upon each one hundred dollars ($100) of value shall be paid upon goods held for sale in the regular course of business and raw materials, which includes distilled spirits and distilled inventory, and in-process materials, which includes distilled spirits and distilled spirits inventory, held for incorporation in finished goods held for sale in the regular course of business.

[~~(11) An ad valorem tax for state purposes of one tenth of one cent ($0.001) per one hundred dollars ($100) of assessed value shall be paid on all motor vehicles registered pursuant to the provisions of KRS 186.050(6).~~]

(10)[~~(12)~~] An ad valorem tax for state purposes of ten cents ($0.10) per one hundred dollars ($100) of assessed value shall be paid on the operating property of railroads or railway companies that operate solely within the Commonwealth.

Section 22. KRS 132.200 is amended to read as follows:

All property subject to taxation for state purposes shall also be subject to taxation in the county, city, school, or other taxing district in which it has a taxable situs, except the classes of property described in KRS 132.030 and 132.050, and the following classes of property, which shall be subject to taxation for state purposes only:

(1) Farm implements and farm machinery owned by a person actually engaged in farming and used in his farm operation;

(2) Livestock and domestic fowl;

(3) Capital stock of savings and loan associations;

(4) Machinery and products in course of manufacture, of individuals or corporations actually engaged in manufacturing, and their raw material actually on hand at their plant for the purpose of manufacture. Individuals or corporations actually engaged in the printing, publication, and distribution of a newspaper or operating a job printing plant shall be deemed to be actually engaged in manufacturing;

(5) Commercial radio, television, and telephonic equipment directly used or associated with electronic equipment which broadcasts electronic signals to an antenna; however, radio or television towers not essential to the production of the wave or signal broadcast shall not be included;

(6) Unmanufactured agricultural products. They shall be exempt from taxation for state purposes to the extent of the value, or amount, of any unpaid nonrecourse loans thereon granted by the United States government or any agency thereof, and except that cities and counties may each impose an ad valorem tax of not exceeding one and one-half cents ($0.015) on each one hundred dollars ($100) of the fair cash value of all unmanufactured tobacco and not exceeding four and one-half cents ($0.045) on each one hundred dollars ($100) of the fair cash value of all other unmanufactured agricultural products, subject to taxation within their limits that are not actually on hand at the plants of manufacturing concerns for the purpose of manufacture, nor in the hands of the producer or any agent of the producer to whom the products have been conveyed or assigned for the purpose of sale;

(7) Money in hand, notes, bonds, accounts, and other credits, whether secured by mortgage, pledge, or otherwise, or unsecured, and shares of stock. Nothing in this section shall forbid local taxation of franchises of corporations or of the shares of banks, trust companies, or combined banks and trust companies doing business in this state, or domestic life insurance companies;

(8) All privately-owned leasehold interest in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103, except that the rate shall not apply to the proportion of value of the leasehold interest created through any private financing;

(9) Property which has been certified as a pollution control facility as defined in KRS 224.01-300;

(10) Property which has been certified as an alcohol production facility as defined in KRS 247.910;

(11) [~~On and after January 1, 1977, unmined coal and any interest therein, in whatever form held, including, but not limited to, leasehold and royalty interests;~~

~~(12)~~] On and after January 1, 1977, the assessed value of unmined coal shall be included in the formula contained in KRS 132.590(9) in determining the amount of county appropriation to the office of the property valuation administrator;

(12)[~~(13)~~] Tangible personal property located in a foreign trade zone as designated under 19 U.S.C. Sec. 81;

(13)[~~(14)~~] Motor vehicles qualifying for permanent registration as historic motor vehicles under the provisions of KRS 186.043. However, nothing herein shall be construed to exempt historical motor vehicles from the usage tax imposed by KRS 138.460 based on the vehicle's fair market value at the time of sale;

[~~(15) Motor vehicles registered pursuant to the provisions of KRS 186.050(6);~~]

(14)[~~(16)~~] Property which has been certified as a fluidized bed energy production facility as defined in KRS 211.390;

(15)[~~(17)~~] All motor vehicles held for sale in the inventory of a licensed motor vehicle dealer, which are not currently titled and registered in Kentucky and are held on an assignment pursuant to the provisions of KRS 186A.230; and

(16)[~~(18)~~] Machinery or equipment owned by a business, industry, or organization in order to collect, source separate, compress, bale, shred, or otherwise handle waste materials if the machinery or equipment is primarily used for recycling purposes as defined in KRS 139.095.

Section 23. KRS 132.375 is amended to read as follows:

Whenever a vacancy occurs in the property valuation administrator's office, the secretary of revenue shall designate a qualified cabinet employee to carry on the duties of the office ***until the vacancy is filled by appointment or by election*** [~~for the balance of the term~~]. The cabinet employee so designated shall be compensated from Revenue Cabinet funds in the same manner and at the same rate as compensated prior to his receiving ***the*** [~~such~~] designation, plus necessary expenses, including travel. ***The*** [~~Such~~] individual shall have all the powers and be subject to all the ***administrative*** regulations applying to property valuation administrators.

Section 24. KRS 132.380 is amended to read as follows:

(1) Before any person's name shall appear before the voters on election day as a candidate for the office of property valuation administrator in any primary or general election, except as a candidate to succeed himself in office, or before he may be appointed property valuation administrator, except as an interim appointee as provided by KRS 132.375, he shall hold a certificate issued by the Revenue Cabinet, showing that he has been examined by it and that he is qualified for the office. All certificates issued shall expire one (1) year from the date of issuance. The examinations shall be [~~both~~] written and [~~oral and~~] formulated so as to test fairly the ability and fitness of the applicant to serve as property valuation administrator. The Revenue Cabinet shall hold ***the*** [~~such~~] examinations in at least one (1) place in each congressional district ***no later than thirty (30) days and no earlier than sixty (60) days prior to the primary election filing date*** [~~during the month of October~~] of each year [~~immediately preceding each year~~] in which property valuation administrators are to be elected. The Revenue Cabinet shall advise each county attorney of the time and place of the examination, and the county attorney shall post a notice thereof in a conspicuous place in the courthouse two (2) weeks before ***the*** [~~such~~] examination is given. Any person desiring to take ***an*** [~~such~~] examination shall appear at the time and place designated.

(2) If, after the giving of the examination, as provided in subsection (1), there is only one (1) person qualified to be a candidate in the county, the Revenue Cabinet shall hold a second examination prior to the filing date in each congressional district where necessary. Applicants from only those counties having not more than one (1) person qualified shall be eligible to take the examination. Notice of the second examination shall be posted in the manner provided in subsection (1).

(3) Whenever there is a vacancy in the office of property valuation administrator to be filled by appointment or by election, and there is not more than one (1) person holding a valid certificate and eligible for appointment or election, the Revenue Cabinet may hold a special examination for applicants seeking a certificate for the office. If, after the giving of a special examination, only one (1) person is qualified, the county judge/executive may request a second examination. Special examinations shall be held in the same manner as regular examinations.

(4) Examinations shall be given and graded in accordance with rules of the cabinet published [~~to the applicant~~] at the time of the examination. Within ***ten (10)*** [~~thirty (30)~~] days after the examination, a certificate of fitness and qualification to fill the office of property valuation administrator shall be issued by the Revenue Cabinet to each person passing the examination.

(5) Examination records shall be preserved by the cabinet for twelve (12) months after the examination, and the record of any person who took the examination may be seen by him at the office of the Revenue Cabinet in Frankfort, Kentucky.

Section 25. KRS 134.810 is amended to read as follows:

(1) All state, county, city, urban-county government, school, and special taxing district ad valorem taxes shall be due and payable on or before the earlier of the last day of the month in which registration renewal is required by law for a motor vehicle renewed or the last day of the month in which a vehicle is transferred.

(2) All state, county, city, urban-county government, school, and special taxing district ad valorem taxes due on motor vehicles shall become delinquent following the earlier of the end of the month in which registration renewal is required by law or the last day of the second calendar month following the month in which a vehicle was transferred.

(3) Any taxes which are paid within thirty (30) days of becoming delinquent shall be subject to a penalty of three percent (3%) on the taxes due. Any taxes which are not paid within thirty (30) days of becoming delinquent shall be subject to a penalty of ten percent (10%) on the taxes due. In addition, interest at an annual rate of fifteen percent (15%) shall accrue on said taxes and penalty from the date of delinquency. No penalty or interest shall accrue on a motor vehicle under dealer assignment pursuant to KRS 186A.220.

(4) When a motor vehicle has been transferred before registration renewal or before taxes due have been paid, the owner of record on January 1 of any year shall be liable for the taxes on the motor vehicle, except as hereinafter provided.

(5) If an owner obtains a certificate of registration for a motor vehicle valid through the last day of his second birth month following the month and year in which he applied for a certificate of registration, all state, county, city, urban-county government, school, and special tax district ad valorem tax liabilities arising from the assessment date following initial registration shall be due and payable on or before the last day of the first birth month following the assessment date or date of transfer, whichever is earlier. Any taxes due under the provisions of this subsection and not paid as set forth above shall be considered delinquent and subject to the same interest and penalties found in subsection (3) of this section.

(6) For purposes of the state ad valorem tax only, all motor vehicles held for sale by a licensed Kentucky dealer on January 1 of any year shall not be taxed as a motor vehicle pursuant to KRS 132.485(3) but shall be subject to ad valorem tax as goods held for sale in the regular course of business under the provisions of KRS 132.020***(9)***[~~(10)~~] and 132.220.

(7) Any provision to the contrary notwithstanding, when any ad valorem tax on a motor vehicle becomes delinquent, the state and each county, city, urban-county government, or other taxing district shall have a lien on all motor vehicles owned or acquired by the person who owned the motor vehicle at the time the tax liability arose. No lien for delinquent ad valorem taxes shall attach to any motor vehicle transferred while the taxes are due on that vehicle.

(8) The lien required by subsection (7) of this section shall be filed and released by the automatic entry of appropriate information in the AVIS data base. For the filing and release of each lien or set of liens arising from motor vehicle ad valorem property tax delinquency, a fee of one dollar ($1) shall be added to the delinquent tax account. The fee shall be collected and retained by the county clerk who collects the delinquent tax.

(9) The implementation of the automated lien system provided in this section shall not affect the manner in which commercial liens are recorded or released.

Section 26. The following KRS sections are repealed:

132.011 "Public charity" defined.

132.203 KRS 132.200(11) not applicable, when.

132.750 When mobile home classified as real estate.

Section 27. The provisions of Sections 1 to 10 of this Act shall become effective on August 1, 1992.

The Committee Amendment No. 1 to **HB 704** is as follows:

Amend printed copy of **HB 704** on page 35, line 18, by deleting the new language, "***no later than thirty (30) days***";

On line 19, by deleting line 19 in its entirety;

On line 20, by deleting the new language, "***election filing date***" and by deleting the brackets, before and after, and the strike throughs through the intervening language, "during the month of October"; and

On line 21, by deleting the brackets, before and after, and the strike throughs through the intervening language, "immediately preceding each year".

HB 748, AN ACT relating to motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 138.470 is amended to read as follows:

There is expressly exempted from the tax imposed by KRS 138.460:

(1) Motor vehicles sold to the United States, or to the Commonwealth of Kentucky or any of its political subdivisions;

(2) Motor vehicles sold to institutions of purely public charity and institutions of education not used or employed for gain by any person or corporation;

(3) Motor vehicles which have been previously registered and titled in any state or by the federal government when being sold or transferred to licensed motor vehicle dealers for resale. Such motor vehicles shall not be leased, rented, or loaned to any person and must be held for resale only;

(4) Motor vehicles sold by or transferred from dealers registered and licensed in compliance with the provisions of KRS 186.070 and KRS 190.010 to 190.080 to nonresident members of the armed forces on duty in this Commonwealth under orders from the United States government;

(5) Commercial motor vehicles, excluding passenger vehicles having a seating capacity for nine (9) persons or less, owned by nonresident owners and used primarily in interstate commerce and based in a state other than Kentucky which are required to be registered in Kentucky by reason of operational requirements or fleet proration agreements and are registered pursuant to KRS 186.145;

(6) Motor vehicles previously registered in Kentucky, transferred between husband and wife or parent and child;

(7) Motor vehicles transferred when a business changes its name and no other transaction has taken place or an individual changes his or her name;

(8) Motor vehicles transferred to a corporation from a proprietorship, or from a corporation to a proprietorship, within six (6) months from the time that the business is incorporated or dissolved;

(9) Motor vehicles transferred by will, court order, or under the statutes covering descent and distribution of property, provided that the vehicles were previously registered in Kentucky;

(10) Motor vehicles transferred between a subsidiary corporation and its parent corporation when there is no consideration, or nominal consideration, or in sole consideration of the cancellation or surrender of stock;

(11) The interest of a partner in a motor vehicle when other interests are transferred to him;

(12) Motor vehicles repossessed by a secured party who has a security interest in effect at the time of repossession and a repossession affidavit as required by KRS 186.045(4). The repossessor must hold the vehicle for resale only and not for personal use, unless he has previously paid the motor vehicle usage tax on said vehicle; [~~and~~]

(13) Motor vehicles transferred to an insurance company to settle a claim. Such vehicles shall be junked or held for resale only***; and***

(14) Motor vehicles previously registered in Kentucky, transferred between grandparent and grandchild.

The Committee on Judiciary reported **HB 631**, with Committee Amendments attached thereto, and **HB 445**, with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 631, AN ACT relating to crimes and punishments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 17 IS CREATED TO READ AS FOLLOWS:

(1) Any person convicted on or after the effective date of this Act of a felony offense under KRS Chapter 510 or KRS 530.020, or who shall be in the custody of the Corrections Cabinet on the effective date of this Act under KRS Chapter 510 or KRS 530.020 (including, but not limited to, persons incarcerated, or on parole, probation, or conditional discharge), shall have a sample of blood taken by the Department of Corrections for DNA (deoxyribonucleic acid) law enforcement identification purpose and inclusion in law enforcement identification databases.

(2) After the effective date of this Act, the blood sample shall be taken as soon as practicable but no later than release or discharge from custody.

(3) The samples shall be obtained in a medically approved manner by a physician, registered nurse, phlebotomist, medical technician, or medical technologist, and packaged and submitted in containers provided by the Department of State Police forensic laboratory in accordance with administrative regulations promulgated by the Department of State Police forensic laboratory. No civil liability shall attach to any person authorized to draw blood a provided by this section as a result of the act of drawing blood from any person, provided the blood was drawn according to recognized medical procedures.

(4) The trial court may, on motion of the Commonwealth, require any person convicted of an offense set forth in subsection (1) but not sentenced to a term of confinement because of probation, shock probation, or conditional discharge, to provide a sample of blood for the purposes set forth in subsection (1) as a condition of probation, shock probation, or conditional discharge.

(5) All persons convicted of an offense enumerated under subsection (1) of this section shall be sentenced to pay a service fee of one hundred fifty dollars ($150) which shall be in addition to all other penalties and fees authorized by law. The fee shall be imposed in all cases but shall be subject to the provisions of KRS 534.020 relating to the method of imposition and KRS 534.060 as to remedies of nonpayment of the fee. The service fee shall be utilized to fund the DNA records system and for the support of the Kentucky State Police forensic laboratory.

(6) Any person who tampers or attempts to tamper with any sample of blood or the container collected pursuant to subsection (1) or (2) without lawful authority shall be guilty of a Class D felony.

SECTION 2. A NEW SECTION OF KRS CHAPTER 17 IS CREATED TO READ AS FOLLOWS:

(1) A centralized database of DNA (deoxyribonucleic acid) identification records for convicted criminals, crime scene specimens, missing persons, and close biological relatives of missing persons shall be established in the Department of State Police under the direction, control, and supervision of the State Police forensic laboratory. The established system shall be compatible with the procedures set forth in a national DNA identification index to ensure data exchange on a national level.

(2) The purpose of the centralized DNA database is to assist federal, state, and local criminal justice and law enforcement agencies within and outside the Commonwealth in the identification, detection, or exclusion of individuals who are subjects of the investigation or prosecution of sex-related crimes, violent crimes, or other crimes and the identification and location of missing and unidentified persons.

(3) The Department of State Police forensic laboratory shall receive, analyze, and classify samples of blood received from the Department of Corrections in compliance with Sections 1 and 2 of this Act, and samples from other sources, and shall file the DNA results in the centralized databases for identification and statistical purposes.

(4) Records produced from the samples shall be used only for law enforcement purposes and shall be exempt from the provisions of KRS Chapter 61.

(5) A person whose DNA profile has been included in the data bank pursuant to this chapter may request expungement on the grounds that the felony conviction on which the authority for including the DNA profile was based, has been reversed and the case dismissed. The Department of State Police shall expunge all identifiable information in the data bank pertaining to the person and destroy all samples from the person upon receipt of:

(a) A written request for expungement pursuant to this section; and

(b) A certified copy of the court order reversing and dismissing the conviction.

(6) The Department of State Police forensic laboratory shall promulgate administrative regulations necessary to carry out the provisions of the DNA database identification system to include procedures for collection of samples of blood and the database system usage and integrity.

(7) Any person who disseminates, receives, or otherwise uses or attempts to use information in the database, knowing that such dissemination, receipt, or use is for a purpose other than authorized by law, shall be guilty of a Class A misdemeanor.

The Committee Amendment No. 1 to **HB 631** is as follows:

Amend printed copy of **HB 631** on page 1, line 5, following "*530.020,*" to add "*shall*"; and

on page 1, line 5, to delete "*shall be*" and to insert in lieu thereof "*is*"; and

on page 1, line 7, to delete "*(including, but not*"; and

on page 1, line 8, to delete the same; and

on page 1, line 9, to delete "*or conditional discharge), shall*"; and to insert in lieu thereof "*may*"; and on page 1, line 14, following "*(2)*" to delete the remainder of the line; and

on page 1, lines 15 and 16, to delete the same; and

on page 1, line 17, to delete "*(3)*"; and

on page 2, lines 7 through 13, to delete the same; and

on page 2, line 14, to delete "*(5)*" and insert in lieu thereof "*(3)*"; and

on page 2, line 24, to delete "*(6)*" and insert in lieu thereof "*(4)*".

The Committee Amendment No. 2 to **HB 631** is as follows:

Amend printed copy of **HB 631** on page 2, lines 14 through 23, to delete the same and on page 2, line 24, to renumber subsection "*(6)*" as "*(5)*".

HB 445, AN ACT relating to crimes and punishments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 508 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 4 of this Act, unless the context requires otherwise:

(1) To "harass" means to engage in an intentional course of conduct directed at a specific person which seriously alarms, annoys, intimidates or harasses the person, and which serves no legitimate purpose. The course of conduct shall be that which would cause a reasonable person to suffer substantial mental distress and shall actually cause substantial mental distress to the person.

(2) "Course of conduct" means a pattern of conduct composed of a series of acts over a period of time, however short, evidencing a continuity of purpose. Constitutionally-protected activity is not included within the meaning of "course of conduct." If the defendant claims that he was engaged in constitutionally protected activity, the court shall determine the validity of that claim as a matter of law and, if found valid, shall exclude that activity from evidence.

SECTION 2. A NEW SECTION OF KRS CHAPTER 508 IS CREATED TO READ AS FOLLOWS:

(1) A person is guilty of stalking in the first degree when he willfully, maliciously, and repeatedly follows or harasses another person and makes a credible threat with the intent to place that person in reasonable fear of physical injury or death; and

(a) Has been convicted of or pled guilty to a violation of this section, Section 3 of this Act, or Section 4 of this Act against the same victim during the previous seven (7) years; or

(b) This offense involved an act of violence against the victim in which the victim suffered serious physical injury, sexual contact as defined in KRS 510.010, or a credible threat thereof.

(2) Stalking in the first degree is a Class C felony.

SECTION 3. A NEW SECTION OF KRS CHAPTER 508 IS CREATED TO READ AS FOLLOWS:

(1) A person is guilty of stalking in the second degree when he intentionally follows or harasses another person and makes a credible threat with the intent to place that person in reasonable fear of great bodily harm or death; and

(a) A protective order or other judicial order as provided for in KRS Chapter 403 has been issued by the court to protect the same victim or victims; or

(b) A criminal complaint has been filed with a court, law enforcement agency, or prosecutor by the same victim or victims; or

(c) The act or acts were committed with a deadly weapon.

(2) Stalking in the second degree is a Class D felony. Each violation is a separate offense.

SECTION 4. A NEW SECTION OF KRS CHAPTER 508 IS CREATED TO READ AS FOLLOWS:

(1) A person is guilty of stalking in the third degree when he willfully, maliciously, and repeatedly follows or harasses another person and makes a credible threat with the intent to place that person in reasonable fear of physical injury or death.

(2) Stalking in the third degree is a Class A misdemeanor. Each violation is a separate offense.

The Committee Substitute to **HB 445** is as follows:

HB 445, AN ACT relating to crimes and punishments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 508 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 4 of this Act, unless the context requires otherwise:

(1) (a) To "stalk" means to engage in an intentional course of conduct:

1. Directed at a specific person or persons;

2. Which seriously alarms, annoys, intimidates, or harasses the person or persons; and

3. Which serves no legitimate purpose.

(b) The course of conduct shall be that which would cause a reasonable person to suffer substantial mental distress.

(2) "Course of conduct" means a pattern of conduct composed of two (2) or more acts, evidencing a continuity of purpose. Constitutionally-protected activity is not included within the meaning of "course of conduct." If the defendant claims that he was engaged in constitutionally protected activity, the court shall determine the validity of that claim as a matter of law and, if found valid, shall exclude that activity from evidence.

SECTION 2. A NEW SECTION OF KRS CHAPTER 508 IS CREATED TO READ AS FOLLOWS:

(1) A person is guilty of stalking in the first degree when he intentionally:

(a) 1. Stalks another person; and

2. Makes an explicit or implicit threat with the intent to place that person in reasonable fear of:

a. Sexual contact as defined in KRS 510.010;

b. Physical injury; or

c. Death; and

(b) 1. Has, with regard to the same victim, been convicted of or pled guilty during the previous five (5) years to a violation of:

a. Section 4 of this Act; or

b. A felony; or

2. Has, in committing this offense:

a. Committed an act of violence against the victim in which the victim suffered serious physical injury;

b. Committed sexual contact as defined in KRS 510.010; or

c. Made a credible threat of either subdivision b. or c. of this subparagraph; or

3. Has used a deadly weapon.

(2) Stalking in the first degree is a Class C felony.

SECTION 3. A NEW SECTION OF KRS CHAPTER 508 IS CREATED TO READ AS FOLLOWS:

(1) A person is guilty of stalking in the second degree,

(a) When he intentionally:

1. Stalks another person; and

2. Makes an explicit or implicit threat with the intent to place that person in reasonable fear of:

a. Sexual contact as defined in KRS 510.010;

b. Serious physical injury; or

c. Death; and

(b) 1. A protective order or other judicial order as provided for in KRS Chapter 403 has been issued by the court to protect the same victim or victims and the defendant has been served with the summons or order or has been given actual notice; or

2. A criminal complaint is currently pending with a court, law enforcement agency, or prosecutor by the same victim or victims and the defendant has been served with a summons or warrant or has been given actual notice; or

3. The defendant has been convicted of or pled guilty within the previous five (5) years to a Class A misdemeanor, other than a violation of Section 4 of this Act, against the same victim or victims; or

4. The act or acts were committed while the defendant had a deadly weapon on or about his person.

(2) Stalking in the second degree is a Class D felony.

SECTION 4. A NEW SECTION OF KRS CHAPTER 508 IS CREATED TO READ AS FOLLOWS:

(1) A person is guilty of stalking in the third degree when he intentionally:

(a) Stalks another person; and

(b) Makes an explicit or implicit threat with the intent to place that person in reasonable fear of:

1. Sexual contact as defined in KRS 500.010;

2. Physical injury; or

3. Death.

(2) Stalking in the third degree is a Class A misdemeanor.

Section 5. KRS 510.010 is amended to read as follows:

The following definitions apply in this chapter unless the context otherwise requires:

(1) "Deviate sexual intercourse" means any act of sexual gratification involving the sex organs of one (1) person and the mouth or anus of another;

(2) "Forcible compulsion" means physical force or threat of physical force, express or implied, which places a person in fear of immediate death or physical injury to himself or another person or in fear that he or another person will be immediately kidnapped;

(3) "Mental illness" means a diagnostic term that covers many clinical categories, typically including behavioral or psychological symptoms, or both, along with impairment of personal and social function, and specifically defined and clinically interpreted through reference to criteria contained in the Diagnostic and Statistical Manual of Mental Disorders (Third Edition) and any subsequent revision thereto, of the American Psychiatric Association;

(4) "Mentally retarded person" means a person with significantly subaverage general intellectual functioning existing concurrently with deficits in adaptive behavior and manifested during the developmental period, as defined in KRS Chapter 202B;

(5) "Mentally incapacitated" means that a person is rendered temporarily incapable of appraising or controlling his conduct as a result of the influence of a controlled or intoxicating substance administered to him without his consent or as a result of any other act committed upon him without his consent;

(6) "Physically helpless" means that a person is unconscious or for any other reason is physically unable to communicate unwillingness to an act;

(7) "Sexual contact" means any ***intentional touching, fondling, or manipulating of the inner thigh, groin, genitals, buttock, anus, or breast of a person, whether directly or through clothing, for the purpose of arousing or gratifying the sexual desire of either party or which would be viewed by a reasonable person as offensive physical contact*** [~~touching of the sexual or other intimate parts of a person done for the purpose of gratifying the sexual desire of either party~~]; and

(8) "Sexual intercourse" means sexual intercourse in its ordinary sense. Sexual intercourse occurs upon any penetration, however slight; emission is not required.

The Committee on Business Organizations and Professions reported **HB 450**, with Committee Amendment attached thereto, **HB 556**, with Committee Substitute attached thereto, **HB 604**, with Committee Substitute attached thereto, **HB 648**, with Committee Substitute and Title Amendment attached thereto, **HB 670**, with Committee Substitute attached thereto, **HB 682**, **HB 730**, **HB 749**, with Committee Substitute attached thereto, **HB 753** and **HB 769**, with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 450, AN ACT relating to equine programs at state universities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 138.510 is amended to read as follows:

(1) [~~Through June 30, 1990, an excise tax is imposed on every person, corporation or association which operates a race track under the jurisdiction of the Kentucky State Racing Commission at which betting is conducted through a pari-mutuel or other similar system and which is conducting a race meeting. The tax shall be an amount equal to four and three-fourths percent (4.75%) of all money wagered during the year. A year as used herein shall begin at 12:01 a. m. July 1 and end at 12 midnight June 30. From July 15, 1982, until June 30, 1990, tracks with a daily average handle of less than one million two hundred thousand dollars ($1,200,000) shall receive a tax credit amounting to three percent (3%) of money wagered, with one and one-half percent (1.5%) to be allocated to purses, one percent (1%) to capital improvement and one-half percent (0.5%) for administration. From July 15, 1986 until June 30, 1990, tracks with a daily average handle of one million two hundred thousand dollars ($1,200,000) or more shall receive a tax credit amounting to one percent (1%) of money wagered, to be allocated to purses. All money from the tax credit allocated to purses shall be in addition to purse money allocated by contractual agreement or by regulation of the commission. All expenditures of tax credit money shall be reported to and approved by the commission in such form and frequency as the commission by regulation may require. Copies of all such reports shall also be sent to the Legislative Research Commission. An amount equal to three-quarters of one percent (3/4 of 1%) of all pari-mutuel wagering shall be deducted from the tax and deposited in the Kentucky thoroughbred development fund created and described in KRS 230.400.~~

~~(2) Through June 30, 1990, an excise tax is imposed on every person, corporation or association which operates a race track under the jurisdiction of the Kentucky Harness Racing Commission at which betting is conducted through a pari-mutuel or other similar system and which is conducting a race meeting. The tax shall be an amount equal to five percent (5%) of all money wagered during the year. A year as used herein shall begin at 12:01 a. m. July 1 and end at 12 midnight June 30. An amount equal to one percent (1%) of all pari-mutuel wagering on racing under the jurisdiction of the Kentucky Harness Racing Commission shall be deducted from the tax and set aside by the Revenue Cabinet and shall be deposited in the Kentucky standardbred, quarter horse, Appaloosa and Arabian development fund created and described in KRS 230.770. From July 15, 1982, until June 30, 1990, associations conducting a race meet under the jurisdiction of the Kentucky Harness Racing Commission with a daily average handle of less than three hundred thousand dollars ($300,000) shall receive a tax credit of three percent (3%) of all money wagered, two percent (2%) to be allocated to the associations for capital improvements, promotions, including advertising, or purses, as the association shall elect and three-quarters of one percent (0.75%) to be allocated to overnight purses and one-quarter of one percent (0.25%) to be allocated to the Kentucky standardbred, quarter horse, Appaloosa and Arabian~~

~~development fund. Said expenditures shall be reported to and approved by the Harness Racing Commission in such form and frequency as the commission by regulation may require. Copies of all such reports shall also be sent to the Legislative Research Commission.~~

~~(3)~~] Effective July 1, 1990, an excise tax is imposed on all tracks conducting pari-mutuel racing under the jurisdiction of the Kentucky State Racing Commission and the Kentucky Harness Racing Commission. For tracks with a daily average handle of one million two hundred thousand dollars ($1,200,000) or above, the tax shall be in the amount of three and one-half percent (3.5%) of all money wagered during the fiscal year. For tracks with a daily average handle under one million two hundred thousand dollars ($1,200,000) the tax shall be an amount equal to one and one-half percent (1.5%) of all money wagered during the fiscal year. For the purposes of this subsection [~~and subsections (1) and (2) of this section~~], the daily average handle shall be computed from the amount wagered only at the host track and shall not include money wagered at a receiving track or on telephone account wagering. ***An amount equal to three-quarters of one percent (0.75%) of all pari-mutuel wagering on racing under the jurisdiction of the Kentucky State Racing Commission shall be deducted from the tax and deposited in the Kentucky thoroughbred development fund created and described in KRS 230.400. An amount equal to one percent (1%) of all pari-mutuel wagering on racing under the jurisdiction of the Kentucky Harness Racing Commission shall be deducted from the tax deposited in the Kentucky standardbred, quarter horse, Appaloosa and Arabian development fund created and described in KRS 230.770*** [~~Money shall be deducted from the tax paid by host tracks and deposited to the respective development funds in the same amount and same manner as provided for in subsections (1) and (2) of this section, termination dates in these sections notwithstanding~~].

(2)[~~(4)~~] An excise tax is imposed on telephone account wagering and all tracks not conducting pari-mutuel racing but participating as receiving tracks in intertrack wagering under the jurisdictions of the Kentucky State Racing Commission and the Kentucky Harness Racing Commission. [~~From July 15, 1988, until June 30, 1990, the tax shall be in the amount of five percent (5%) of all money wagered during the fiscal year.~~] After June 30, 1990, the tax shall be in the amount of three percent (3%) of all money wagered by ***these*** [~~such~~] methods during the fiscal year. After June 30, 1990, an amount equal to two percent (2%) of the amount wagered ***shall be*** [~~and~~] deducted from the tax imposed in this subsection ***and*** [~~shall be~~] deposited in the thoroughbred development fund if the host track is under the jurisdiction of the Kentucky State Racing Commission, or the Kentucky standardbred, quarter horse, Appaloosa and Arabian development fund, if the host track is under the jurisdiction of the Kentucky Harness Racing Commission.

(3)[~~(5)~~] Two-tenths of one percent (0.2%) of the total amount wagered in Kentucky shall be deducted from the pari-mutuel tax levied in ***subsection*** [~~subsections~~] (1)[~~, (2), and (3)~~] of this section and allocated to the equine industry program trust and revolving fund to be used for funding the equine industry program at the University of Louisville.

(4) One tenth of one percent (0.1%) of the total amount wagered in Kentucky shall be deducted from the pari-mutuel tax levied in subsections (1) and (2) of this section and deposited to a trust and revolving fund to be used for the construction, expansion, or renovation of facilities or the purchase of equipment for equine programs at state universities. The Kentucky Council on Higher Education shall serve as the administrative agent and shall establish an advisory committee of interested parties to evaluate proposals and make recommendations for the awarding of funds. The Kentucky Council on Higher Education may by administrative regulation establish procedures for administering the program and criteria for evaluating and awarding grants.

Section 2. KRS 230.740 is amended to read as follows:

The provisions of KRS 230.620 to 230.760 are intended to be statewide and exclusive in their effect and no city, county or other political subdivision of state government shall have the power or authority to make or enforce any local laws, ordinances or regulations on the subject of horse race meetings under the jurisdiction of the commission. Any persons licensed under KRS 230.690 shall continue to pay, or be responsible for the payment of, all state taxes presently imposed by law, including but without limitation, admission taxes imposed by KRS 138.480 to 138.490, and the pari-mutuel taxes imposed by KRS 138.510[~~(2)~~], and all state, as well as local, ad valorem taxes; provided, however, no tax shall be imposed by the state or any subdivision thereof upon, or measured by, that portion of the excise tax imposed upon pari-mutuel betting at running and standardbred, quarter horse, Appaloosa or Arabian horse race tracks which is collected and retained by the operators thereof under the provisions of KRS 138.510 to 138.550, both inclusive.

The Committee Amendment No. 1 to **HB 450** is as follows:

Amend printed copy of **HB 450** on page 6, line 6, after the word "***universities.***" by inserting the following:

"These funds shall not be used for salaries or for operating funds for teaching, research, or administration. In no event shall funds allocated under this subsection replace other funds for capital purposes or operation of equine programs at state universities."; and

On page 6, line 9, after the word "***parties***" by inserting the following:

"***, including all universities with established equine programs,***".

HB 556, AN ACT relating to restaurant franchising.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 11 of this Act, unless the context requires otherwise:

(1) "Restaurant franchisor" means a person who grants or has granted a franchise in the business of selling prepared foods for on-premise consumption or for take-away or drive-through sale to the consumer including delivery to the consumer.

(2) "Restaurant franchisee" means a person to whom a franchise is granted in the business of selling prepared foods for on-premise consumption or for take-away or drive-through sale to the consumer including delivery to the consumer.

(3) "Franchise" means a contract or agreement, either expressed or implied, whether oral or written, between two (2) or more persons with the authority to act, in which:

(a) A restaurant franchisee is granted the right to engage in the business of offering, selling, or distributing prepared food under a marketing plan or system prescribed in substantial part by a franchisor;

(b) Operation of the restaurant franchisee's business pursuant to that plan or system is substantially associated with the franchisor's trademark, service mark, trade name, logotype, advertising, or other commercial symbol designating the franchisor or its affiliate; and

(c) The restaurant franchisee pays or is required to pay, directly or indirectly, a franchise fee.

(4) "Restaurant franchise fee" means a fee or charge for the right to enter into or maintain a franchise, including any payment for goods or services, but excluding:

(a) Payment at a bona fide wholesale price for a reasonable quantity of inventory;

(b) Payment of a reasonable service charge to the issuer of a credit or debit card by a person accepting or honoring that card; and

(c) Payment at fair market value for a reasonable quantity of real estate, fixtures, equipment, or other tangible property to be utilized in, and necessary for, the operation of the franchised business.

(5) "Trade secret" means a trade secret as defined in KRS 365.880.

(6) "Good faith" means honesty in fact and the observance of reasonable standards of fair dealing in the trade.

(7) "Affiliate" means a natural or legal person controlling, controlled by, or under common control.

(8) "Outlet" means a place of business, temporary or permanent, fixed or mobile, from which products or services are offered for sale.

SECTION 2. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO READ AS FOLLOWS:

(1) Sections 1 to 11 of this Act shall:

(a) Apply to any franchise, a substantial part of the performance of which occurs in Kentucky; and

(b) Not be waived or avoided in whole or in part, by agreement or by conduct, in their application to a franchise or a party to a franchise, except as a part of a settlement of a bona fide dispute.

(2) A franchisee shall not be deprived of the application and benefits of Sections 1 to 11 of this Act by a provision of a franchise purporting to designate the law or venue of another jurisdiction.

SECTION 3. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO READ AS FOLLOWS:

A party to a franchise who is injured or likely to be injured by a violation or impending violation of Sections 1 to 11 of this Act or of the trade regulation rule entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures," as promulgated or amended by the United States Federal Trade Commission, has a cause of action for rescission, damages, injunctive relief, or other appropriate relief. The prevailing party may recover its costs including its reasonable attorneys' fees in any such action or proceeding. A court may presume irreparable harm from a violation of Sections 1 to 11 of this Act or of the Federal Trade Commission trade regulation rule on franchising and business opportunity ventures, and may award preliminary injunctive relief without bond or other financial security.

SECTION 4. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO READ AS FOLLOWS:

(1) Every franchise includes an implied duty of each party to act in good faith in the performance and enforcement of the franchise. The duty of good faith also obligates a party to a franchise, in making a decision or exercising a reserved power or discretion that directly affects the franchise or the business conducted under the franchise, to give due and equal regard to the interests of the other party or parties to the franchise that are likely to be affected by the decision.

SECTION 5. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO READ AS FOLLOWS:

(1) Except as provided in subsection (2) of this section, a franchisee may obtain equipment, fixtures, supplies, and services used in the establishment and operation of the franchised business from sources of the franchisee's choosing, if those goods and services meet reasonable standards as to their nature and quality promulgated by the franchisor.

(2) Subsection (1) of this section shall not apply to reasonable quantities of inventory goods or services, including display and sample items, that the franchisor requires the franchisee to obtain from the franchisor or its affiliate, but only if the goods or services are a central feature of the franchised business and either:

(a) Are actually manufactured or produced by the franchisor or its affiliate; or

(b) Are manufactured solely for the account of the franchisor or its affiliate and incorporate a trade secret owned by the franchisor or its affiliate.

SECTION 6. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO READ AS FOLLOWS:

A franchisor shall not terminate or fail to renew a franchise prior to its expiration except for good cause. For purposes of this section, "good cause" includes either of the following:

(1) The failure of the franchisee to comply with a material provision of the franchise agreement, after a written notice specifying the noncompliance and a thirty (30) day period to cure the default, or, if the default cannot be cured within thirty (30) days, the failure of the franchisee to initiate within thirty (30) days, substantial continuing action to cure the default. Enforcement of the provision must be similar to that imposed on other franchisees, including outlets owned and operated by a franchisor; or

(2) Situations in which the franchisee, without the requirement of notice and an opportunity to cure, does any of the following:

(a) Voluntarily abandons the franchised business;

(b) Is convicted of a crime that substantially impairs the good will associated with the franchisor's trademark, service mark, trade name, logotype advertising, or other commercial symbol;

(c) Repeatedly fails to comply with the same material provision of the franchise agreement, when the enforcement of the provision is similar to that imposed on other franchisees; or

(d) Operates the franchised business in a manner that imminently endangers the public health or safety.

SECTION 7. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO READ AS FOLLOWS:

(1) A franchisee has the right to transfer the franchised business and franchise to a transferee who meets the franchisor's current, reasonable, essential, and nondiscriminatory standards for new franchisees or transferees. A franchisor may not withhold its consent to a transfer, under these circumstances, without good cause.

(2) A franchisor may not withhold its consent to a franchisee making a public offering of its securities without good cause, if the franchisee, or the owners of the franchise, retain control over more than fifty percent (50%) of the voting power in the franchise. A franchisor may not withhold its consent to a pooling of interests or exchange of assets by its existing franchisees.

(3) At the time of transfer, a franchisee may assign its interest in its franchise for its unexpired term, and a franchisor may not require the franchisee or the transferee to enter into a new or different franchise as a condition to a transfer.

(4) The following shall not constitute a "transfer" and a franchisor shall not interfere with:

(a) The succession to ownership or management of a franchise by the spouse, children, fellow shareholders, or partners upon the death or disability of a franchisee or of an owner, officer, or director of a franchisee;

(b) Incorporation of a proprietorship franchisee;

(c) Transfers within an existing ownership group of a franchisee which do not effect a change in control of the franchise;

(d) Transfers of less than a controlling interest in the franchise to the spouse or children of the franchisee or of its owner;

(e) Transfers of less than a controlling interest in the franchise to an employee stock ownership plan or employee incentive compensation or deferred benefit plan;

(f) A grant or retention of a security interest in the franchise, the franchised business, or its assets, or an ownership interest in the franchisee, if the security agreement creates an obligation on the secured party, enforceable by the franchisor, to give the franchisor notice simultaneously with notice to the franchisee of the secured party's intent to foreclose on the collateral, and a reasonable opportunity to redeem the interest of the secured party and recover the secured party's interest in the franchise and franchised business by paying the secured obligations, or the fair market value of secured obligations not stated as amounts payable in cash; or

(g) The franchisee's use of management consultants or hiring of a professional manager.

(5) Subject to the conditions to the grant of a security interest set forth in subsection (4)(f) of this section, a franchisor may not prevent a franchisee who transfers a franchise, from retaining or foreclosing a security interest in any one (1) or more of the assets transferred, including the franchise, created to secure obligations of the transferee to the transferor.

SECTION 8. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO READ AS FOLLOWS:

A franchisor shall not prohibit, or enforce a prohibition against, a franchisee engaging in any lawful business at any location after expiration of a franchise of a fixed or indeterminate term, or after termination of the franchise by the franchisee for good cause, unless, ten (10) or more days before the effective date of the termination or expiration, the franchisor offers in writing to purchase the franchised business for its fair market value as a going concern. The offer may be conditioned upon ascertainment of fair market value by an impartial appraiser. This section does not prohibit enforcement of provisions of a franchise obligating a franchisee after expiration or termination of the franchise from:

(1) Altering the appearance of the premises and the manner of operation of the franchised business to avoid the likelihood of confusion as to the affiliation of the business with its former franchisor or the origin of goods or services it offers; or

(2) Ceasing and refraining from using a trade secret of the franchisor or of its affiliate.

SECTION 9. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO READ AS FOLLOWS:

A franchisor shall not directly or indirectly inhibit its franchisees from forming an association or from associating with other franchisees for any lawful purpose. A franchisor shall not directly or indirectly penalize a franchisee for organizing or participating in an association of franchisees.

SECTION 10. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO READ AS FOLLOWS:

A restaurant franchisor shall not place, or license another to place, a new outlet in unreasonable proximity to an established franchised outlet which offers goods or services identified by the same trademark as those offered from the new outlet, or the premises of which are identified by the same trademark as the new outlet.

SECTION 11. A NEW SECTION OF KRS CHAPTER 365 IS CREATED TO READ AS FOLLOWS:

Sections 1 to 11 of this Act may be referred to as the Kentucky Restaurant Fair Franchising Practices Act.

The Committee Substitute to **HB 556** is as follows:

HB 556, AN ACT relating to restaurant franchising.

WHEREAS, a controversy exists in the Commonwealth about the proper, legal, and fair relationship that should exist between restaurant franchisees and restaurant franchisors; and

WHEREAS, restaurant franchisees and restaurant franchisors play an important part in Kentucky's economy; and

WHEREAS, it is important to collect factual, accurate data on this issue and to give all sides a fair opportunity to be heard before proposing substantial legislation;

NOW THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the 1992-93 Interim Joint Committee on Business, Organizations, and Professions of the Legislative Research Commission shall be authorized and directed to study restaurant franchising in Kentucky. The Interim Joint Committee is charged with the responsibility to make legislative recommendations based on its collection and study of the following data:

(1) The size and scope of restaurant franchising in the Commonwealth;

(2) The kinds of legal relationships which currently exist between franchisees and franchisors in the Commonwealth.

(3) The possible consequences, intended and unintended, of enacting legislation similar to the Kentucky Fair Franchising Practices Act as proposed during the 1992 Regular Session of the Kentucky General Assembly; and

(4) The need, if any, for possible statutory changes in the Kentucky Revised Statutes related to restaurant franchising.

Section 2. The study shall begin not later than August 1, 1992, and the report and recommendations shall be submitted to the Legislative Research Commission no later than July 1, 1993.

Section 3. Staff services to be utilized in completing this study are estimated to cost $15,000. These staff services shall be provided from the regular Commission budget and are subject to the limitations of other research responsibilities of the Commission.

HB 604, AN ACT relating to specialists in hearing instruments and hearing aid dealers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 334.010 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Board" means the ***Kentucky Licensing*** Board for ***Specialists in*** [~~Licensing~~] Hearing ***Instruments*** [~~aid dealers~~].

(2) "License" means a license issued by the state under this chapter to ***specialists in*** hearing ***instruments*** [~~aid dealers and fitters~~].

(3) "***Apprentice*** [~~Temporary~~] permit" means a permit issued while the applicant is in training to become a licensed ***specialists in*** hearing ***instruments*** [~~aid dealer or fitter~~].

(4) "Hearing ***instrument*** [~~aid~~]" means any wearable instrument or device designed for or represented as aiding ***or***[~~,~~] improving [~~or correcting~~] defective human hearing and any parts, attachments, or accessories of such an instrument or device.

(5) "Practice of fitting ***hearing instruments*** [~~and dealing~~]" ***means*** [~~in hearing aids shall mean~~] the measurement of human hearing by means of an audiometer [~~or by means devised~~] for the purpose of making selections, adaptions, and ***adjustments*** [~~sales~~] of hearing ***instruments*** [~~aids to compensate for hearing loss~~]. The term also includes the making of ear ***mold impressions and custom earmolds*** [~~molds~~].

(6) "Sell or sale" ***means*** [~~shall mean~~] any transfer of title or ***transfer*** of the right to use by lease, bailment, or any other ***means*** [~~contract~~].

(7) A used or not new hearing ***instrument*** [~~aid~~] is one which has been the subject of a sale and the title to which was held by the ***client*** [~~licensee~~] for a period longer than thirty (30) days.

(8) "Client" means the user or purchaser of the hearing instrument.

(9) "Specialist in hearing instruments" means any individual licensed under this chapter.

(10) "Apprentice" means any applicant in training to become a licensed specialist in hearing instruments.

(11) "Sponsor" means a licensed specialist in hearing instruments qualified under subsection (10) of Section 9 of this Act who assumes professional responsibility for an apprentice.

Section 2. KRS 334.020 is amended to read as follows:

No person shall engage in the sale, ***dispensing,*** [~~of~~] or practice of fitting hearing ***instruments*** [~~aids~~] or display a sign or in any other way advertise or represent himself as a person who practices the ***sale, dispensing, or*** fitting [~~and sale~~] of hearing ***instruments*** [~~aids~~] unless he holds an unsuspended, unrevoked license issued by the board ***pursuant to KRS 334.080*** [~~as provided in this chapter~~], or unless he holds a current, unsuspended, unrevoked ***apprentice permit*** [~~certificate of endorsement~~] pursuant to KRS ***334.090*** [~~334.050~~]. The license ***or permit*** shall be conspicuously posted in each office or place of business.

Section 3. KRS 334.030 is amended to read as follows:

(1) Any person who practices the ***sale, dispensing, or*** fitting [~~and sale~~] of hearing ***instruments shall obtain from the*** [~~aids must present to each~~] buyer of a hearing ***instrument*** [~~aid~~], at the time such buyer assumes any financial obligation with respect to the purchase, [~~and obtain~~] the buyer's signature ***on*** [~~to~~] a written and dated agreement, offer to purchase, or receipt. ***The written agreement, offer to purchase, or receipt*** [~~which~~] shall contain the following information:

(a) Licensee's signature, [~~and~~] printed name and business address, and license number issued to the licensee by the board pursuant to this chapter;

(b) Immediately following the information required by subsection ***(1)***(a) ***of this section***, shall be the statement, in all capital letters in no smaller type than the largest used in the body copy portion, that: ANY COMPLAINTS CONCERNING THE SALE OR SERVICE OF THIS HEARING ***INSTRUMENT*** [~~AID~~] WHICH ARE NOT CORRECTED BY THE ***SPECIALIST IN*** HEARING ***INSTRUMENTS*** [~~AID DEALER~~] SHOULD BE DIRECTED TO: KENTUCKY ***LICENSING*** BOARD FOR ***SPECIALISTS IN*** [~~LICENSING~~] HEARING ***INSTRUMENTS*** [~~AID DEALERS~~], COMMONWEALTH OF KENTUCKY, FRANKFORT, KENTUCKY 40601;[~~.~~]

(c) ***A delivery statement which shall include*** specifications as to the make, [~~and~~] model, ***serial*** number, ***and delivery date*** [~~of the hearing aid furnished~~], with full terms of sale clearly stated. If a hearing ***instrument*** [~~aid~~] which is not new is offered for sale or is sold, that fact shall be clearly and conspicuously disclosed ***and read*** in the oral sales presentation before the buyer assumes any financial obligation with respect to the purchase, and the receipt ***shall*** [~~and the container in which the hearing aid is packaged must~~] be clearly marked as "used", "reconditioned", or "not new", whatever is applicable, with terms of guarantee, if any***; and***[~~.~~]

(d) Notice and statement of the purchaser's thirty (30) day right to cancel pursuant to [~~the requirements of~~] KRS 334.210.

(2)[~~(e)~~] ***The*** [~~Such~~] written agreement, offer to purchase, or receipt shall bear in no smaller type than the largest used in the body copy portion the following ***statement***: "The purchaser has been advised at the outset of his relationship with the ***specialist in*** hearing ***instruments*** [~~aid dealer~~] that any examination(s) or representation(s) is not an examination, diagnosis, or prescription by a person licensed to practice medicine in this state and therefore ***shall*** [~~must~~] not be regarded as medical opinion or advice."

(3)[~~(2)~~] No person who practices the ***selling, dispensing, or*** fitting [~~and sale~~] of hearing ***instruments*** [~~aids~~] shall visit the home or place of business of a potential buyer for the purpose of soliciting or inducing a sale of a hearing ***instrument*** [~~aid~~] without having obtained[~~, prior to any visit,~~] the expressed written consent of ***the*** [~~such~~] potential buyer to such a visit. ***The*** [~~Such~~] consent ***required by this subsection*** shall clearly and conspicuously state that ***the*** [~~such~~] potential buyer is aware that the ***specialist in*** hearing ***instruments*** [~~aid dealer~~] may attempt to sell a hearing ***instrument*** [~~aid~~] during ***his*** [~~such~~] visit. [~~The board may promulgate regulations prescribing a particular form for the written consent.~~]

Section 4. KRS 334.040 is amended to read as follows:

(1) This chapter ***shall*** [~~does~~] not apply to a person while he is engaged in the practice of fitting hearing ***instruments and assistive listening devices*** [~~aids~~] if his practice is part of the academic curriculum of an accredited institution of higher education or part of a program conducted by a public, charitable institution or nonprofit organization, which is primarily supported by voluntary contributions.

(2) This chapter shall not be construed to prevent any person who is a medical or osteopathic physician licensed to practice in the Commonwealth of Kentucky from treating or fitting hearing ***instruments*** [~~aids~~] to the human ear, which includes the making of ear molds, or to an audiologist holding a certificate of clinical competence ***in audiology from*** [~~of~~] the American Speech-***language***-[~~and~~]Hearing Association so long as they do not engage in the sale of hearing ***instruments*** [~~aids~~].

Section 5. KRS 334.050 is amended to read as follows:

An applicant for ***licensure under this section*** [~~license~~] shall pay a fee ***established by the board by the promulgation of an administrative regulation*** [~~of $50.00~~] and ***shall*** show to the board that he:

(1) [~~Is a citizen resident of the Commonwealth;~~

~~(2)~~] Is a person of good moral character;

(2)[~~(3)~~] Is ***twenty-one (21)*** [~~eighteen (18)~~] years of age or older;

(3) Has a minimum of a high school school diploma or a general education development certificate;

(4) ***Is a citizen of the United States or has status as a legal alien*** [~~Has an education equivalent to a four-year course in an accredited high school, or has continuously engaged in the practice of fitting hearing aids in this Commonwealth during the three years preceding June 16, 1972~~];

(5) Is free of contagious or infectious disease***; and***

(6) Has completed the apprenticeship requirements of the formal education as provided by KRS 334.090.

Section 6. KRS 334.060 is amended to read as follows:

(1) An applicant for ***licensure*** [~~license~~] who is notified by the board that he has fulfilled the requirements of KRS 334.050 shall appear at a time, place and before such persons as the board may designate and pass written and practical tests in order to demonstrate that he is qualified to practice the fitting of hearing ***instruments*** [~~aids~~]. The examination administered shall not be conducted in a manner that college training is required in order to pass. Nothing in the examination shall imply that the applicant shall possess the degree of medical competence normally expected of a physician, or of audiological competence of a certified audiologist.

(2) The board shall give at least one ***(1)*** examination of the type prescribed in subsection (1) of KRS 334.070 [~~in~~] each year, and such additional examinations as the volume of applications may make appropriate.

Section 7. KRS 334.070 is amended to read as follows:

The examination required in KRS 334.060 shall consist of:

(1) Tests of knowledge ***pertaining*** [~~as they pertain~~] to fitting of hearing ***instruments*** [~~aids~~] including:

(a) Basic physics of sound;

(b) The anatomy and physiology of the ear, including the science of hearing causes and rehabilitation of abnormal hearing and hearing disorders; and

(c) The function of hearing ***instruments*** [~~aids~~].

(2) Practical tests of proficiency in the following techniques ***pertaining*** [~~as they pertain~~] to the fitting of hearing ***instruments*** [~~aids~~]:

(a) Pure tone audiometry, including air conduction testing and bone conduction testing;

(b) [~~Live voice or recorded voice~~] Speech audiometry, including ***live voice or recorded voice speech evaluations which include*** speech reception threshold testing***, most comfortable listening level, loudness discomfort level,*** and speech discrimination testing;

(c) Masking when indicated;

(d) Recording and evaluation of audiograms and speech audiometry to determine proper selection and adaption of a hearing ***instrument*** [~~aid~~]; and

(e) Taking earmold impressions.

Section 8. KRS 334.080 is amended to read as follows:

(1) Upon payment of ***a fee, established by the board by promulgation of an administrative regulation*** [~~$50.00~~], the board shall register each applicant who satisfactorily passes the examination. Thereupon the board shall issue to the applicant a license. The license shall be effective for one (1) year.

(2) Whenever the board determines that another state or jurisdiction has requirements equivalent to or higher than those in effect pursuant to this chapter for ***practice of*** [~~the~~] selling***, dispensing, or*** [~~and the practice of~~] fitting ***of*** hearing ***instruments*** [~~aids~~], and that such state or jurisdiction has a program equivalent to or stricter than the program for determining whether applicants pursuant to this chapter are qualified to sell***, dispense, or*** [~~and~~] fit hearing ***instruments*** [~~aids~~], the board may issue ***a license*** [~~certificates of endorsement~~] to ***those*** applicants who hold current, unsuspended, and unrevoked [~~certificates or~~] licenses to sell***, dispense, or*** [~~and~~] fit hearing ***instruments*** [~~aids~~] in such other state or jurisdiction upon application and successful completion of examination. No [~~such~~] applicant for a ***license*** [~~certificate of endorsement~~] pursuant to this subsection shall be required to submit to or undergo any training[~~, investigation~~] or other procedure, other than the payment of fees and examination pursuant to KRS 334.050 to 334.070. The holder of a ***license issued under this subsection*** [~~certificate of endorsement~~] shall be registered in the same manner as holders of ***initial*** licenses. The fee for ***licenses issued under this subsection*** [~~an initial certificate of endorsement~~] shall be the same as the fee for an initial license. Fees, grounds, and procedures for renewal, suspension, and revocation of ***licenses issued under this subsection*** [~~certificates of endorsement~~] shall be the same as for renewal, suspension, and revocation of ***initial*** licenses.

(3) Any applicant holding a master's degree in audiology licensed under KRS 334A or holding at least a master's degree from a recognized college or university and having the certification of clinical competence in audiology from the American Speech-Language-Hearing Association, shall not be required to submit to or undergo any training, or other procedures other than the payment of fees and successful completion of examination pursuant to KRS 334.050 to 334.070. Fees, grounds, and procedures for renewal, suspension, and revocation of license issued under this subsection shall be the same as for renewal, suspension, and revocation of initial licenses.

Section 9. KRS 334.090 is amended to read as follows:

(1) An applicant who fulfills the requirements of KRS 334.050 and who has not previously ***taken*** [~~applied to take~~] the examination provided under subsection (1) of KRS 334.060 may apply to the board for ***an apprentice*** [~~a temporary trainee~~] permit. The fee shall be ***established by the board by the promulgation of an administrative regulation*** [~~$25.00~~].

(2) ***The*** [~~Trainee~~] apprenticeship ***period*** shall be for ***twelve (12)*** [~~six (6)~~] months as follows:

(a) Stage I — The ***apprentice*** [~~trainee~~] shall work for thirty (30) days under the direct control of a ***sponsor*** [~~registrant~~]. ***The apprentice shall not*** [~~He cannot~~] in any way fit or test the ***client for the purpose of selling hearing instruments*** [~~customer~~].

(b) Stage II — This training stage shall last for ***one hundred fifty (150)*** [~~sixty (60)~~] days. During this period the ***apprentice*** [~~trainee~~] may do testing necessary for the proper selection and fitting of a hearing ***instrument*** [~~aid~~] and make ear impressions. During this period the ***apprentice shall be under the direct supervision of his sponsor or a licensed specialist in hearing instruments who shall also qualify as a sponsor as defined in subsection (10) of Section 9 of this Act. During this period the apprentice shall*** [~~trainee may~~] not make delivery or final fitting ***without direct personal supervision during the actual delivery***.

(c) Stage III — ***This training stage shall last for one hundred eighty (180) days. The apprentice*** [~~the trainee~~] may engage in all activities of a licensed person. He ***shall*** [~~must~~], however, work under and be responsible to a licensed ***sponsor for the remainder of the apprentice period*** [~~dealer the following ninety (90) days~~].

(3) The above stages ***shall*** [~~must~~] be completed with no interim time lapse between stages. ***If the apprentice*** [~~In the event the trainee~~] leaves his place of training without approval of his employer, he loses seniority, and ***shall*** [~~must~~] revert to stage I. This ruling is subject to appeal to the board.

(4) After such period has passed, ***the apprentice*** [~~trainee~~] shall take the qualifying examination given by the board for a license and upon successfully passing ***the*** [~~said~~] examination ***and paying the appropriate fee***, may obtain a license.

(5) If a person who holds ***an apprentice*** [~~a temporary~~] permit issued under this section takes and fails to pass the qualifying examination, the board may renew the ***apprentice*** [~~temporary trainee~~] permit for a period ending ten (10) days after the date of the next qualifying examination. A fee ***established by the board by the promulgation of an administrative regulation*** [~~of twenty-five dollars ($25.00)~~] shall be paid at the time the qualifying examination is repeated. ***An apprentice*** [~~A temporary trainee~~] permit may be renewed only once and during this period the ***apprentice*** [~~trainee~~] shall continue in stage ***II*** [~~III~~] of the [~~trainee~~] apprenticeship period.

(6) ***If a person who holds an apprentice permit fails the examination twice, his apprentice permit shall not be renewed. He shall immediately stop fitting hearing instruments. Failure to stop shall invoke the penalties as established in KRS 334.990*** [~~At such time as a course in fitting and selling of hearing aids, as approved by the board, shall be established in the Commonwealth of Kentucky, a satisfactory completion of this course shall be considered equivalent to stages I and II of the trainee period~~].

(7) ***An apprentice, having failed the examination twice, may pay a fee established by the board by the promulgation of an administrative regulation and take the examination the next time it is given if documented proof of further study has been established*** [~~Any person who shall hold an unsuspended or unrevoked certificate or license to fit and sell hearing aids in another state may make application to the board for examination in lieu of any trainee period~~].

(8) ***Apprentice*** [~~Temporary trainee~~] permit holders shall be governed by all ***administrative*** [~~standards of~~] regulations and ***standards of*** ethical conduct pertaining to regular licensees.

(9) The satisfactory completion of a course in the selling, dispensing, or fitting of hearing instruments approved by the board may be considered equivalent to stages I and II of the apprenticeship period.

(10) No person shall sponsor an apprentice unless he is a licensed specialist in hearing instruments with a minimum of three (3) years experience or NBC-HIS board certification or has a current license issued pursuant to KRS Chapter 334 on or before December 31, 1992. No sponsor may have more than two (2) apprentices at one (1) time. The sponsor shall be responsible for all sales and service of the apprentices and all monetary reimbursements.

Section 10. KRS 334.100 is amended to read as follows:

(1) ***Every*** [~~A~~] person who holds a license ***or an apprentice***[~~, a temporary trainee~~] permit [~~or a certificate of endorsement~~] shall notify the board in writing of the ***location*** [~~address of the place or places~~] where he engages or intends to engage in the practice of ***selling, dispensing, or*** fitting [~~or sale of~~] hearing ***instruments or where the person is in training*** [~~aids~~].

(2) The board shall keep a record of ***each location*** [~~the places~~] where ***a licensee or apprentice intends to practice or train*** [~~the practice of fitting and selling or offering for sale hearing aids is engaged in, as well as the places of practice of persons who hold licenses, temporary trainee permits or certificates of endorsement~~].

(3) Any notice required to be given by the board to a person who holds a license ***or apprentice***[~~, temporary trainee~~] permit [~~or certificate of endorsement~~] may be given by mailing it to [~~him at~~] the ***last known*** address of the ***licensee or apprentice*** [~~last place of practice of which he has notified the board~~].

Section 11. KRS 334.110 is amended to read as follows:

Each person who engages in the ***selling, dispensing, or*** fitting [~~and sale~~] of hearing ***instruments*** [~~aids~~] shall annually, on or before January 30, pay to the board a fee ***to be established by the board by the promulgation of an administrative regulation*** [~~of fifty dollars ($50.00)~~] for a renewal of his license [~~or certificate of endorsement~~]. Where more than one ***(1)*** office is operated by the licensee, duplicate certificates shall be issued by the board for posting in each location. A thirty-day grace period shall be allowed after January 30, during which time licenses may be renewed on payment of a ***late*** fee ***and penalty to be established by*** [~~of seventy-five dollars ($75.00) to~~] the board ***by the promulgation of an administrative regulation***. The board may suspend the license of any person who fails to renew his license [~~or certificate of endorsement~~] before the expiration of the thirty-day grace period. After the expiration of the grace period, the board may in its discretion renew ***the*** [~~such~~] license upon the payment of ***an additional fee to be established by the board by the promulgation of an administrative regulation*** [~~one hundred dollars ($100.00) to the board~~]. No person who applies for renewal, whose license has expired, shall be required to submit to any examination as a condition to renewal, ***if the*** [~~provided such~~] renewal application is made within two (2) years from the date of [~~such~~] expiration.

Section 12. KRS 334.120 is amended to read as follows:

(1) ***Complaints against licensed persons shall be handled by the board in the following manner:***

(a) Any person desiring to make a complaint against a licensee under this chapter shall reduce the complaint to writing and file it with the board.

(b) The board may conduct an investigation into any complaint which the board feels may constitute a violation of this chapter or the administrative regulations promulgated thereunder.

(c) The board may require that the licensee file a statement or report in writing as to the facts and circumstances concerning the complaint together with other information, material, or data reasonably related thereto.

(d) The board may request the assistance of the Attorney General in connection with an investigation.

(e) The board may employ the services of a hearing officer to conduct hearings, pre-hearing conferences, advise the board as to legal matters, and provide other legal services deemed appropriate by the board.

(2) If the board determines the charges made in the complaint are sufficient to warrant a hearing to determine whether the license issued under this chapter shall be suspended, revoked, or subject to reprimand, it shall make an order fixing a time and place for a hearing and require the licensee complained against to appear and defend against the complaint.

(a) The order shall have attached to it a copy of the complaint.

(b) The order and copy of the complaint shall be served upon the licensee at his last known address at least twenty (20) days before the date set for hearing.

(c) Continuances or adjournment of hearing date may be made by the hearing officer or chairman of the board for good cause.

(3) The provisions of this chapter shall in no way limit the jurisdiction and authority of the Attorney General to take any necessary action under the Kentucky Consumer Protection Act, KRS 367.110 to 367.300.

(4) The board may suspend, revoke, or levy a fine not to exceed one thousand dollars ($1,000), refuse to issue or renew any license for a fixed period of time, place on probation, issue a written reprimand to a licensee, or any combination thereof, based on a finding of the board that a person licensed under the provisions of this chapter has committed any of the following acts:

(a) Change of personal name, corporate name, charter, entity, or partnership name or composition to avoid the imposition of liens or court action;

(b) The conviction of a felony, or a misdemeanor involving moral turpitude. The record of conviction, or a copy thereof, certified by the clerk of the court or by the judge in whose court the conviction is had, shall be conclusive evidence of such conviction;

(c) Procuring of license by fraud or deceit practiced upon the board;

(d) Unethical conduct as defined by the board by promulgation of an administrative regulation [~~Any person desiring to make a complaint against a licensee under this chapter shall reduce the same to writing and file the complaint with the board. A copy of all complaints received by the board shall be given to the division of consumer protection of the office of the attorney general. The board shall conduct an investigation into all such complaints. The board may require that the licensee file a statement or report in writing as to the facts and circumstances concerning the complaint together with such other information, material, or data, as may be reasonable, related thereto. The board may request the assistance of the attorney general in connection with such an investigation. If the board determines the charges made in the complaint are sufficient to warrant a hearing to determine whether the license issued under this chapter shall be suspended or revoked, it shall make an order fixing a time and place for a hearing and require the licensees complained against to appear and defend against the complaint. The order shall have annexed thereto a copy of the complaint. The order and copy of the complaint shall be served upon the licensee at least twenty (20) days before the date set for hearing at the last known address. Continuances or adjournment of hearing date shall be made if for good cause. The provisions of KRS Chapter 334 shall in no way limit the jurisdiction and authority of the attorney general to take any necessary action under the Kentucky consumer protection act, KRS 367.110 to 367.300.~~

~~(2) Any person registered under this chapter may have his license revoked or suspended for a fixed period by the board for any of the following causes:~~

~~(a) The conviction of a felony, or a misdemeanor involving moral turpitude. The record of conviction, or a copy thereof, certified by the clerk of the court or by the judge in whose court the conviction is had, shall be conclusive evidence of such conviction.~~

~~(b) Procuring of license by fraud or deceit practiced upon the board.~~

~~(c) Unethical conduct, including:~~

~~1. The obtaining of any fee or the making of any sale by fraud or misrepresentation;~~

~~2. Employing directly or indirectly any suspended or unregistered person to perform any work covered by this chapter;~~

~~3. Using or causing or promoting the use of any advertising matter, promotional literature, testimonial, guarantee, warranty, label, brand, insignia, or any other representation, however disseminated or published, which is misleading, deceptive or untruthful;~~

~~4. Advertising a particular model or type of hearing aid for sale when purchasers or prospective purchasers responding to the advertisement cannot purchase the advertised model or type, where it is established that the purpose of the advertisement is to obtain prospects for the sale of a different model or type than that advertised;~~

~~5. Representing that the service or advice of a person licensed to practice medicine will be used or made available in the selection, fitting, adjustment, maintenance or repair of hearing aids when that is not true, or using the words "doctor," "clinic," "clinical audiologist," or "state licensed," "state approved" or similar words, abbreviations or symbols which give the impression that service is being provided by persons trained in medicine or audiology, or that the licensee's service is state recommended when such use is not accurate;~~

~~6. Permitting another's use of a license;~~

~~7. Advertising a manufacturer's product or using a manufacturer's name or trademark which implies a relationship with the manufacturer that does not exist; or~~

~~8. Directly or indirectly giving or offering to give, or permitting or causing to be given money or anything of value to any person who advises another in a professional capacity as an inducement to influence him or have him influence others to purchase or contract to purchase products sold or offered for sale by a hearing aid dealer or fitter, or influencing persons to refrain from dealing in the products of competitors.~~

~~(d) Conducting business while suffering from a contagious or infectious disease.~~

~~(e) Engaging in the fitting and sale of hearing aids under a false name, or alias.~~

~~(f) Selling a hearing aid to a person who has not been given tests utilizing appropriate established procedures and instrumentation in fitting of hearing aids.~~

~~(g) Gross incompetence or negligence in fitting and selling hearing aids.~~

~~(h) Advertising professional methods or professional superiority.~~

~~(i) Violating any provisions of this chapter~~].

Section 13. KRS 334.130 is amended to read as follows:

No person shall:

(1) Sell, barter, or offer to sell or barter a license, or ***apprentice*** [~~a temporary trainee~~] permit.

(2) Purchase or procure by barter a license or ***apprentice*** permit with intent to use it as evidence of the holder's qualification to practice the ***selling, dispensing, or*** fitting [~~and sale~~] of hearing ***instruments*** [~~aids~~].

(3) Alter a license or ***apprentice*** [~~temporary trainee~~] permit with fraudulent intent.

(4) Use or attempt to use as a valid license or ***apprentice*** [~~temporary trainee~~] permit, a license or ***apprentice*** permit which has been purchased, fraudulently obtained, counterfeited, or materially altered.

(5) Willfully make a false statement in an application for license or ***apprentice*** permit or application for renewal of a license ***or apprentice permit.***

(6) Sell, barter, or offer for sale ***or barter*** any brand or model of hearing ***instrument*** [~~aid device~~] not having the approval of the board [~~for licensing hearing aid dealers~~] for reasonable merchantability and workmanship.

Section 14. KRS 334.140 is amended to read as follows:

(1) There is hereby created the "Kentucky ***Licensing*** Board for ***Specialists in*** [~~Licensing~~] Hearing ***Instruments*** [~~Aid Dealers~~]".

(2) The board shall be composed of nine (9) members who shall be appointed by the Governor [~~within thirty (30) days after June 16, 1972~~]. Terms of office shall be ***at the Governor's discretion, not to exceed*** [~~for~~] four years. [~~Appointments shall be scheduled so that two (2) appointments shall be made every year, except the fourth year when one appointment shall be made. To accomplish this, initial appointments shall be made on the following schedule: Two (2) for one (1) year; three (3) for two (2) years; two (2) for three (3) years; and two (2) for four years.~~] All terms shall expire on July 31 of ***the*** designated year. Each member shall serve for the term of his appointment and until his successor has been appointed and qualified. ***If*** [~~In the event of~~] a vacancy ***occurs*** on the board, a new member shall be appointed to serve out the unexpired term. No member shall serve [~~more than one (1)~~] consecutive ***terms on the board*** [~~term~~]. ***Upon recommendation of the board,*** the Governor may remove ***any*** [~~a~~] member ***of the board for excessive absenteeism, neglect of duty, or malfeasance in office*** [~~only for cause~~].

(3) Five (5) members shall be ***specialists in*** hearing ***instruments licensed under KRS 334.080*** [~~aid dealers~~]. The [~~initial~~] appointees shall have at least five ***(5)*** years' ***relevant*** experience [~~as dealers~~]. [~~Those appointed thereafter shall be licensed under this chapter.~~] The Governor shall consider nominations from the [~~Kentucky~~] Hearing Aid [~~Dealers~~] Association ***of Kentucky. No*** [~~There shall not be~~] two ***(2)*** members from the same place of business ***may serve*** [~~serving~~] on the board at the same time.

(4) One (1) member shall be a physician licensed to practice medicine in Kentucky and specializing in otology or otolaryngology.

(5) One (1) member shall be an audiologist holding at least a Master's degree from a recognized college or university ***and*** having the certification of clinical competence in audiology from the American Speech-***Language***-[~~and~~]Hearing Association ***and licensed under KRS Chapter 334A***.

(6) One (1) member shall be a citizen at large who is not associated with or financially interested in the practice or business regulated.

(7) One (1) member shall be the secretary for ***the Cabinet for*** Human Resources or his designee.

(8) Five (5) members of the nine (9) members of the board, [~~including either the physician or the audiologist,~~] when properly convened, may conduct the business of the board.

Section 15. KRS 334.150 is amended to read as follows:

The powers and duties of the board ***shall be*** [~~are~~] as follows:

(1) To authorize all disbursements necessary to carry out provisions of this chapter.

(2) To prepare and administer qualifying examinations to test the knowledge and proficiency of applicants for licensing.

(3) To ***license*** [~~register~~] persons who apply to the board and who are qualified to practice the fitting of hearing ***instruments*** [~~aids~~].

(4) To purchase and maintain or rent audiometric equipment and facilities necessary to carry out the examination of applicants for licensing.

(5) To issue and renew licenses [~~and certificates of indorsement~~].

(6) To suspend, [~~or~~] revoke, ***refuse to issue, or renew*** licenses, ***impose probationary or supervisory conditions, issue letters of reprimand, or levy fines against a licensee, or any combination thereof*** [~~and certificates of indorsement pursuant to this chapter~~].

(7) To appoint representatives to conduct or supervise the examination of applicants for licensing.

(8) To designate the time and place for examining applicants [~~or certificates~~].

(9) To ***promulgate administrative*** [~~make and publish rules and~~] regulations ***consistent*** [~~not inconsistent~~] with the laws of this Commonwealth which are necessary to carry out the provisions of this chapter.

(10) To require the periodic inspection of audiometric testing equipment and to carry out the periodic inspection of facilities of persons who practice the fitting of hearing ***instruments*** [~~aids~~].

(11) To employ [~~necessary personnel. The board may employ, or discharge at its discretion, such~~] secretaries, attorneys, inspectors, clerks, or any other employees ***that*** [~~as~~] the board may deem necessary to carry out the provisions of this chapter. ***The board may employ or discharge at its discretion.***

(12) To initiate a formal educational program consistent with the intent of this chapter in that the consumer public shall be served by the ***specialist in*** hearing ***instruments*** [~~aid specialist~~] trained in the latest technology in fitting and dispensing of hearing instruments.

(13) ***To promulgate administrative regulations establishing requirements and standards for continuing education.***

(14) To administer oaths and to require the attendance of witnesses, the production of books, records and papers pertinent to any matters coming before the board by the issuance of process which shall be served and returned in the same manner as in civil actions and for the disobedience of which the board shall have by resort to a court of competent jurisdiction the power to invoke the same rights as are provided in the event of disobedience of a subpoena or subpoena duces tecum in a civil action.

Section 16. KRS 334.160 is amended to read as follows:

(1) [~~Within thirty (30) days after its appointment by the Governor, the first board shall meet in the city of Frankfort. Thereafter,~~] The board shall meet at least once a year at times and places to be designated by the board and upon such notice as the board may prescribe. At its first meeting ***each calendar year*** the

board shall elect a chairman, vice chairman, and secretary-treasurer, each to serve in his respective capacity for one (1) year[~~, and thereafter said officers shall be elected annually~~].

(2) [~~The board shall keep a record of all of its proceedings and transactions and shall annually make a report to the Governor showing all receipts and disbursements and a summary of all business transacted during the year.~~

~~(3)~~] Fees, charges, and other moneys collected by the board shall be paid into the State Treasury and credited to a trust and agency fund to be used to pay expenses in administering this chapter. All moneys shall be received, disbursed, and accounted for by the [~~secretary-treasurer, who shall be bonded at the expense of the~~] board ***or its designee***. All moneys not expended by the board to pay expenses in administering this chapter shall be retained by the board from year to year to be expended for the purposes expressed in this chapter.

(3)[~~(4)~~] Each member of the board shall be paid a reasonable sum, not to exceed ***one hundred*** [~~twenty-five~~] dollars ***($100)*** [~~($25.00)~~] per day, for each day of actual service on the board and shall be reimbursed all reasonable and necessary travel expenses.

Section 17. KRS 334.170 is amended to read as follows:

The ***Division of Occupations and Professions in the Finance and Administration Cabinet*** [~~cabinet for human resources~~] shall provide administrative aid to the board to assist it in the discharge of its duties.

Section 18. KRS 334.180 is amended to read as follows:

(1) A licensee whose license has been revoked may petition the board for reinstatement. The board shall investigate the petition and may reinstate the license upon finding that the individual has complied with any terms prescribed by the board and is again able to engage in the practice of dispensing hearing instruments.

(2) A ***licensee*** [~~certificate holder~~] or applicant aggrieved by an order of the board refusing, suspending, or revoking a license [~~or certificate of endorsement~~] may within thirty (30) days after notice thereof appeal thereupon to the ***Franklin*** Circuit Court [~~of the county in which the certificate holder or applicant conducts his practice or has his place of business or resides~~]. The appeal shall be determined by the court upon the certified record and no new or additional evidence shall be heard or considered by the court. Either party aggrieved by a final order entered by the [~~circuit~~] court may appeal to the Court of Appeals as in a civil action.

Section 19. KRS 334.200 is amended to read as follows:

(1) ***No*** [~~It is unlawful for an~~] individual licensed under this chapter ***shall*** [~~to~~] sell or dispense a hearing ***instrument*** [~~aid~~] to any person unless within the preceding ***six (6) months,*** [~~ninety (90) days:~~

~~(a)~~] the ***client*** [~~person~~] has ***obtained*** [~~been examined by and received~~] a written ***statement for a hearing instrument***[~~, signed, and dated approval for a hearing aid~~] from a duly licensed physician. The written approval shall include, [~~but not be limited to,~~] a statement that the ***patient has been medically evaluated and may be considered a candidate for a hearing instrument*** [~~person examined has no known ear diseases or conditions of the ear which might make the fitting and wearing of a hearing aid useless, or harmful to the person's health, or which might interfere with the proper fitting and wearing of a hearing aid; and,~~

~~(b) The person has received a hearing aid evaluation, and a written, signed, and dated recommendation for a hearing aid from a physician or an audiologist licensed or authorized to practice audiology pursuant to KRS 334A. The written recommendation may take the form of a specific recommendation as to the make and model of a hearing aid or may include a listing of specifications for a hearing aid~~].

(2)[~~(c)~~] Any ***client*** [~~person~~] eighteen (18) years of age or older may elect to sign a waiver to the requirements of ***subsection (1)*** [~~subsections (a) and (b)~~] of this section before the purchase of a hearing ***instrument*** [~~aid~~]. The waiver shall be on a separate sheet of paper, shall be read to the prospective purchaser of a hearing ***instrument*** [~~aid~~], and shall recite: "I ***have been advised by the seller (name) that the Food and Drug Administration has determined that my best health interest would be served if I had a medical evaluation by a licensed physician and preferably a physician who specializes in diseases of the ear before purchasing a hearing instrument. I do not wish a medical evaluation before purchasing a hearing instrument." The waiver shall be dated and signed by seller and client*** [~~am eighteen (18) years old or older, and I voluntarily sign this waiver which indicates that I do not wish to have a hearing aid evaluation by a physician or an audiologist prior to purchasing this hearing aid(s)."~~

~~(2) No physician conducting an examination for an approval or hearing aid evaluation, or an audiologist conducting a hearing aid evaluation, under this section shall have a direct or indirect interest in any business concern controlled by, or employing, a licensee solely for the purpose of engaging in the fitting or sale of hearing aids for profit~~].

(3) Any person licensed to sell hearing ***instruments*** [~~aids~~] under this chapter shall maintain for not less than three (3) years, in a file under the name of the person to whom a hearing ***instrument*** [~~aid~~] was sold, a true copy of the written approval pursuant to subsection (1)[~~(a)~~] of this section[~~; and a true copy of the written recommendation for a hearing aid pursuant to subsection (1)(b) of this section~~] or the waiver of such written recommendation pursuant to subsection ***(2)*** [~~(1)(c)~~] of this section***,***[~~;~~] and a true copy of the ***written agreement, offer to purchase, or*** receipt given the person, pursuant to KRS 334.030(1).

Section 20. KRS 334.210 is amended to read as follows:

(1) The ***client in*** [~~buyer of~~] a hearing ***instrument purchase,*** [~~aid~~] has the right to cancel ***the*** [~~such~~] purchase for any reason at any time prior to midnight of the thirtieth [~~(30th)~~] calendar day after actual receipt of the hearing ***instrument*** [~~aid~~].

(2) Cancellation occurs when the ***client*** [~~buyer~~] gives written notice of cancellation to the seller at the address stated in the notice and statement of the ***client's*** [~~buyer's~~] right to cancel provided for in subsection (5) of this section.

(3) Notice of cancellation, if given by mail, is given when it is deposited in the mail properly addressed and postage prepaid.

(4) Notice of cancellation given by the ***client*** [~~buyer~~] need not take a particular form and is sufficient if it indicates by a form of written expression the intention of the ***client*** [~~buyer~~] not to be bound by the hearing ***instrument*** [~~aid~~] sale.

(5) In the sale of a hearing ***instrument*** [~~aid~~], the seller ***shall*** [~~must~~] present to each ***client*** [~~buyer~~], at the time ***the client*** [~~such buyer~~] assumes any financial obligation with respect to the purchase of a hearing ***instrument*** [~~aid~~], a written notice and statement of the ***client's*** [~~buyer's~~] right to cancel which ***shall*** [~~must~~]:

(a) Appear under the conspicuous caption; "***CLIENT'S*** [~~BUYER'S~~] RIGHT TO CANCEL WITHIN 30 DAYS," and

(b) Contain the following specific statement in all capital letters in no smaller type than the largest used in the body copy portion of the written agreement, offer to purchase, or receipt: "THE ***CLIENT*** [~~BUYER~~] HAS THE RIGHT TO CANCEL THIS PURCHASE FOR ANY REASON AT ANY TIME PRIOR TO MIDNIGHT OF THE 30TH CALENDAR DAY AFTER ACTUAL RECEIPT OF THE HEARING ***INSTRUMENT(S)*** [~~AID(S)~~]. YOU MAY CANCEL THE PURCHASE BY NOTIFYING THE SELLER THAT YOU DO NOT WANT THE HEARING ***INSTRUMENT(S)*** [~~AID(S)~~] BY MAILING A NOTICE BEFORE ____________________ TO THE SELLER AT:

____

____

UPON CANCELLATION, THE SELLER MAY KEEP ***UP TO 10% OF THE SELLING PRICE LESS ANY DISCOUNTS*** [~~THE FOLLOWING CANCELLATION CHARGES:~~

~~$~~____________________ ~~CANCELLATION FEE~~

~~$~~____________________ ~~CUSTOM EAR MOLD(S)~~

~~$~~____________________ ~~BATTERIES~~

~~$~~____________________ ~~TOTAL~~]"

(6) The seller shall enter on the notice and statement required by subsection (5) of this section the date which is thirty (30) calendar days from the date on which the ***client*** [~~buyer~~] receives the hearing ***instrument(s)*** [~~aid(s) excluding the date of purchase~~]; the seller's full name and address; and the cancellation charges allowed by subsection (10) of this section.

(7) Until the seller has complied with this section, the ***client*** [~~buyer~~] may cancel the purchase by notifying the seller in any manner and by any means of his intention to cancel.

(8) Within fifteen (15) days after the ***return of the hearing instrument or instruments by the client*** [~~date of notice of cancellation by the buyer~~], the seller ***shall*** [~~must~~] tender to the ***client*** [~~buyer~~] any payments made by the ***client, less any amount retained by the seller to repair damage to the hearing instrument due to a lack of reasonable care of the hearing instrument purchased,*** [~~buyer~~] and terminate all financial obligations created in connection with the purchase of the cancelled hearing ***instrument or instruments*** [~~aid~~] by the ***client*** [~~buyer~~].

(9) If payment by the ***client*** [~~buyer~~] includes any goods or property traded in, the goods or property ***shall*** [~~must~~] be tendered to the ***client*** [~~buyer~~] in substantially as good condition as when they were received by the seller. If the seller fails to tender the goods or property as provided by this subsection, the ***client*** [~~buyer~~] may elect to recover an amount equal to the trade-in allowance for ***the*** [~~such~~] goods or property.

(10) [~~The seller may retain as a cancellation fee an amount not to exceed fifteen dollars ($15) plus five (5) percent of the total price charged by the seller for the fitting and sale of the hearing aid, excluding any cancellation charges for any custom ear mold or batteries specifically stated in the notice and statement required by subsection (5) of this section. The cancellation charges for any custom ear mold and batteries shall not exceed twice the actual purchasing cost of such ear mold and/or batteries to the seller or the seller's regular selling price for such ear mold and/or batteries, whichever is less.~~

~~(11)~~] The provisions of this section shall not apply to a sale of a hearing ***instrument that replaces*** [~~aid made pursuant to a written recommendation of a specific hearing aid by serial number or by specific make and model, made by a physician or an audiologist who receives no direct or indirect financial compensation from the seller for such recommendation or for services rendered in connection with such recommendation; or to a sale made to replace~~] a damaged or unworkable hearing ***instrument,*** [~~aid~~] when the replacement hearing ***instrument*** [~~aid which is sold~~] is identical to ***the*** [~~such~~] damaged or unworkable hearing ***instrument*** [~~aid~~].

(11)[~~(12)~~] Until the seller has complied with the obligations imposed by this section, the ***client*** [~~buyer~~] may retain possession of all goods or property delivered to him by the seller and has a lien on the goods or property in his possession or control for any recovery to which he is entitled.

(12)[~~(13)~~] After the purchase of a hearing ***instrument*** [~~aid~~] has been cancelled and the seller has completely fulfilled all his obligations under this section, the ***client*** [~~buyer~~] upon demand ***shall*** [~~must~~] tender to the seller any goods or property delivered by the seller pursuant to the sale.

(13)[~~(14)~~] The ***client*** [~~buyer~~] has a duty to take reasonable care of the goods***, as defined by the board by promulgation of an administrative regulation,*** in his possession before cancellation and for a reasonable time thereafter until delivered to the seller.

(14)[~~(15)~~] Any waiver by the ***client*** [~~buyer~~] of rights provided in this section is [~~null and~~] void, and ***shall*** [~~will~~] not operate to relieve the seller of any obligation placed upon him by this section.

(15)[~~(16)~~] Nothing in this section shall in any way limit the right to cancel home solicitation sales, pursuant to KRS 367.410 to 367.460.

Section 21. KRS 334.990 is amended to read as follows:

(1) Violation of any provision of this chapter is a misdemeanor punishable, upon conviction, by a ***penalty not to exceed two thousand five hundred dollars ($2,500) for each failure to comply with the orders of the board concerning each violation of law or administrative regulation concerning specialists in hearing instruments*** [~~fine of not more than $500~~] or by imprisonment in the county jail for not more than ninety (90) days, or both.

(2) In addition to any other action authorized by law, the Attorney General may enforce provisions of this chapter by civil action for injunctive relief in any ***court*** [~~courts~~] of competent jurisdiction. In an action to obtain an injunction, it shall be sufficient to allege and prove that a violation of this chapter has occurred or is about to occur, and it shall not be necessary to allege or prove that any person has been misled or deceived by an unethical conduct or that any person has been damaged or sustained any loss as a result of any violation of this chapter.

Section 22. The following KRS section is repealed:

334.135 Board transferred to Division of Occupations and Professions for administrative purposes.

The Committee Substitute to **HB 604** is as follows:

HB 604, AN ACT relating to specialists in hearing instruments and hearing aid dealers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 334.010 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Board" means the ***Kentucky Licensing*** Board for ***Specialists in*** [~~Licensing~~] Hearing ***Instruments*** [~~aid dealers~~].

(2) "License" means a license issued by the state under this chapter to ***specialists in*** hearing ***instruments*** [~~aid dealers and fitters~~].

(3) "***Apprentice*** [~~Temporary~~] permit" means a permit issued while the applicant is in training to become a licensed ***specialists in*** hearing ***instruments*** [~~aid dealer or fitter~~].

(4) "Hearing ***instrument*** [~~aid~~]" means any wearable instrument or device designed for or represented as aiding ***or***[~~,~~] improving [~~or correcting~~] defective human hearing and any parts, attachments, or accessories of such an instrument or device.

(5) "Practice of fitting ***hearing instruments*** [~~and dealing~~]" ***means*** [~~in hearing aids shall mean~~] the measurement of human hearing by means of an audiometer [~~or by means devised~~] for the purpose of making selections, adaptions, and ***adjustments*** [~~sales~~] of hearing ***instruments*** [~~aids to compensate for hearing loss~~]. The term also includes the making of ear ***mold impressions and custom earmolds*** [~~molds~~].

(6) "Sell or sale" ***means*** [~~shall mean~~] any transfer of title or ***transfer*** of the right to use by lease, bailment, or any other ***means*** [~~contract~~].

(7) A used or not new hearing ***instrument*** [~~aid~~] is one which has been the subject of a sale and the title to which was held by the ***client*** [~~licensee~~] for a period longer than thirty (30) days.

(8) "Client" means the user or purchaser of the hearing instrument.

(9) "Specialist in hearing instruments" means any individual licensed under this chapter.

(10) "Apprentice" means any applicant in training to become a licensed specialist in hearing instruments.

(11) "Sponsor" means a licensed specialist in hearing instruments qualified under subsection (10) of Section 9 of this Act who assumes professional responsibility for an apprentice.

Section 2. KRS 334.020 is amended to read as follows:

No person shall engage in the sale [~~of~~] or practice of fitting hearing ***instruments*** [~~aids~~] or display a sign or in any other way advertise or represent himself as a person who practices the ***sale or*** fitting [~~and sale~~] of hearing ***instruments*** [~~aids~~] unless he holds an unsuspended, unrevoked license issued by the board ***pursuant to KRS 334.080*** [~~as provided in this chapter~~], or unless he holds a current, unsuspended, unrevoked ***apprentice permit*** [~~certificate of endorsement~~] pursuant to KRS ***334.090*** [~~334.050~~]. The license ***or permit*** shall be conspicuously posted in each office or place of business.

Section 3. KRS 334.030 is amended to read as follows:

(1) Any person who practices the ***sale or*** fitting [~~and sale~~] of hearing ***instruments shall obtain from the*** [~~aids must present to each~~] buyer of a hearing ***instrument*** [~~aid~~], at the time such buyer assumes any financial obligation with respect to the purchase, [~~and obtain~~] the buyer's signature ***on*** [~~to~~] a written and dated agreement, offer to purchase, or receipt. ***The written agreement, offer to purchase, or receipt*** [~~which~~] shall contain the following information:

(a) Licensee's signature, [~~and~~] printed name and business address, and license number issued to the licensee by the board pursuant to this chapter;

(b) ***Make, model, and serial number of the hearing instrument;***

(c) Immediately following the information required by subsection ***(1)***(a), ***(b), and (d) of this section***, shall be the statement, in all capital letters in no smaller type than the largest used in the body copy portion, that: ANY COMPLAINTS CONCERNING THE SALE OR SERVICE OF THIS HEARING ***INSTRUMENT*** [~~AID~~] WHICH ARE NOT CORRECTED BY THE ***SPECIALIST IN*** HEARING ***INSTRUMENTS*** [~~AID DEALER~~] SHOULD BE DIRECTED TO: KENTUCKY ***LICENSING*** BOARD FOR ***SPECIALISTS IN*** [~~LICENSING~~] HEARING ***INSTRUMENTS*** [~~AID DEALERS~~], COMMONWEALTH OF KENTUCKY, FRANKFORT, KENTUCKY 40601***; and***[~~.~~

~~(c) Specifications as to the make and model number of the hearing aid furnished, with full terms of sale clearly stated. If a hearing aid which is not new is offered for sale or is sold, that fact shall be clearly and conspicuously disclosed in the oral sales presentation before the buyer assumes any financial obligation with respect to the purchase, and the receipt and the container in which the hearing aid is packaged must be clearly marked as "used", "reconditioned", or "not new", whatever is applicable, with terms of guarantee, if any.~~]

(d) Notice and statement of the purchaser's thirty (30) day right to cancel pursuant to [~~the requirements of~~] KRS 334.210.

(2)[~~(c)~~] ***The*** [~~Such~~] written agreement, offer to purchase, or receipt shall bear in no smaller type than the largest used in the body copy portion the following ***statement***: "The purchaser has been advised at the outset of his relationship with the ***specialist in*** hearing ***instruments*** [~~aid dealer~~] that any examination(s) or representation(s) is not an examination, diagnosis, or prescription by a person licensed to practice medicine in this state and therefore ***shall*** [~~must~~] not be regarded as medical opinion or advice."

(3)[~~(2)~~] ***Upon delivery of a hearing instrument, the client shall be furnished a delivery statement which shall include specifications as to the make, model, serial number, and delivery date, with full terms of the sale clearly stated. If a hearing instrument which is not new is offered for sale or is sold, that fact shall be clearly stated and conspicuously disclosed and read in the oral sales presentation before the buyer assumes any financial obligation with respect to the purchase, and the receipt shall be clearly marked as "used", "reconditioned", or "not new", whatever is applicable, with terms of guarantee, if any.***

(4) No person who practices the ***selling or*** fitting [~~and sale~~] of hearing ***instruments*** [~~aids~~] shall visit the home or place of business of a potential buyer for the purpose of soliciting or inducing a sale of a hearing ***instrument*** [~~aid~~] without having obtained, prior to any visit, the expressed written consent of ***the*** [~~such~~] potential buyer to such a visit. ***The*** [~~Such~~] consent ***required by this subsection*** shall clearly and conspicuously state that ***the*** [~~such~~] potential buyer is aware that the ***specialist in*** hearing ***instruments*** [~~aid dealer~~] may attempt to sell a hearing ***instrument*** [~~aid~~] during ***his*** [~~such~~] visit. [~~The board may promulgate regulations prescribing a particular form for the written consent.~~]

Section 4. KRS 334.040 is amended to read as follows:

(1) This chapter ***shall*** [~~does~~] not apply to a person while he is engaged in the practice of fitting hearing ***instruments and assistive listening devices*** [~~aids~~] if his practice is part of the academic curriculum of an accredited institution of higher education or part of a program conducted by a public, charitable institution or nonprofit organization, which is primarily supported by voluntary contributions.

(2) This chapter shall not be construed to prevent any person who is a medical or osteopathic physician licensed to practice in the Commonwealth of Kentucky from treating or fitting hearing ***instruments*** [~~aids~~] to the human ear, which includes the making of ear molds, or to an audiologist holding a certificate of clinical competence ***in audiology from*** [~~of~~] the American Speech-***Language***-[~~and~~]Hearing Association ***from treating or fitting hearing instruments to the human ear*** so long as they do not engage in the sale of hearing ***instruments*** [~~aids~~].

Section 5. KRS 334.050 is amended to read as follows:

An applicant for ***licensure under this section*** [~~license~~] shall pay a fee ***established by the board by the promulgation of an administrative regulation*** [~~of $50.00~~] and ***shall*** show to the board that he:

(1) [~~Is a citizen resident of the Commonwealth;~~

~~(2)~~] Is a person of good moral character;

(2)[~~(3)~~] Is ***twenty-one (21)*** [~~eighteen (18)~~] years of age or older;

(3) Has a minimum of a high school diploma or a general education development certificate;

(4) ***Is a citizen of the United States or has status as a legal alien*** [~~Has an education equivalent to a four-year course in an accredited high school, or has continuously engaged in the practice of fitting hearing aids in this Commonwealth during the three years preceding June 16, 1972~~];

(5) Is free of contagious or infectious disease***; and***

(6) Has completed the apprenticeship requirements of the formal education as provided by KRS 334.090.

Section 6. KRS 334.060 is amended to read as follows:

(1) An applicant for ***licensure*** [~~license~~] who is notified by the board that he has fulfilled the requirements of KRS 334.050 shall appear at a time, place and before such persons as the board may designate and pass written and practical tests in order to demonstrate that he is qualified to practice the fitting of hearing ***instruments*** [~~aids~~]. The examination administered shall not be conducted in a manner that college training is required in order to pass. Nothing in the examination shall imply that the applicant shall possess the degree of medical competence normally expected of a physician, or of audiological competence of a certified audiologist.

(2) The board shall give at least one ***(1)*** examination of the type prescribed in subsection (1) of KRS 334.070 [~~in~~] each year, and such additional examinations as the volume of applications may make appropriate.

Section 7. KRS 334.070 is amended to read as follows:

The examination required in KRS 334.060 shall consist of:

(1) Tests of knowledge ***pertaining*** [~~as they pertain~~] to fitting of hearing ***instruments*** [~~aids~~] including:

(a) Basic physics of sound;

(b) The anatomy and physiology of the ear, including the science of hearing causes and rehabilitation of abnormal hearing and hearing disorders; and

(c) The function of hearing ***instruments*** [~~aids~~].

(2) Practical tests of proficiency in the following techniques ***pertaining*** [~~as they pertain~~] to the fitting of hearing ***instruments*** [~~aids~~]:

(a) Pure tone audiometry, including air conduction testing and bone conduction testing;

(b) [~~Live voice or recorded voice~~] Speech audiometry, including ***live voice or recorded voice speech evaluations which include*** speech reception threshold testing***, most comfortable listening level, loudness discomfort level,*** and speech discrimination testing;

(c) Masking when indicated;

(d) Recording and evaluation of audiograms and speech audiometry to determine proper selection and adaption of a hearing ***instrument*** [~~aid~~]; and

(e) Taking earmold impressions.

Section 8. KRS 334.080 is amended to read as follows:

(1) Upon payment of ***a fee, established by the board by promulgation of an administrative regulation*** [~~$50.00~~], the board shall register each applicant who satisfactorily passes the examination. Thereupon the board shall issue to the applicant a license. The license shall be effective for one (1) year.

(2) Whenever the board determines that another state or jurisdiction has requirements equivalent to or higher than those in effect pursuant to this chapter for ***practice of*** [~~the~~] selling ***or*** [~~and the practice of~~] fitting ***of*** hearing ***instruments*** [~~aids~~], and that such state or jurisdiction has a program equivalent to or stricter than the program for determining whether applicants pursuant to this chapter are qualified to sell ***or*** [~~and~~] fit hearing ***instruments*** [~~aids~~], the board may issue ***a license*** [~~certificates of endorsement~~] to ***those*** applicants who hold current, unsuspended, and unrevoked [~~certificates or~~] licenses to sell ***or*** [~~and~~] fit hearing ***instruments*** [~~aids~~] in such other state or jurisdiction upon application and successful completion of examination. No [~~such~~] applicant for a ***license*** [~~certificate of endorsement~~] pursuant to this subsection shall be required to submit to or undergo any training[~~, investigation~~] or other procedure, other than the payment of fees and examination

pursuant to KRS 334.050 to 334.070. The holder of a ***license issued under this subsection*** [~~certificate of endorsement~~] shall be registered in the same manner as holders of ***initial*** licenses. The fee for ***licenses issued under this subsection*** [~~an initial certificate of endorsement~~] shall be the same as the fee for an initial license. Fees, grounds, and procedures for renewal, suspension, and revocation of ***licenses issued under this subsection*** [~~certificates of endorsement~~] shall be the same as for renewal, suspension, and revocation of ***initial*** licenses.

(3) Any applicant holding a master's degree in audiology licensed under KRS 334A or holding at least a master's degree from a recognized college or university and having the certification of clinical competence in audiology from the American Speech-Language-Hearing Association, shall not be required to submit to or undergo any training, or other procedures other than the payment of fees and successful completion of examination pursuant to KRS 334.050 to 334.070. Fees, grounds, and procedures for renewal, suspension, and revocation of license issued under this subsection shall be the same as for renewal, suspension, and revocation of initial licenses.

Section 9. KRS 334.090 is amended to read as follows:

(1) An applicant who fulfills the requirements of KRS 334.050 and who has not previously ***taken*** [~~applied to take~~] the examination provided under subsection (1) of KRS 334.060 may apply to the board for ***an apprentice*** [~~a temporary trainee~~] permit. The fee shall be ***established by the board by the promulgation of an administrative regulation*** [~~$25.00~~].

(2) ***The*** [~~Trainee~~] apprenticeship ***period*** shall be for ***twelve (12)*** [~~six (6)~~] months as follows:

(a) Stage I — The ***apprentice*** [~~trainee~~] shall work for thirty (30) days under the direct control of a ***sponsor*** [~~registrant~~]. ***The apprentice shall not*** [~~He cannot~~] in any way fit or test the ***client for the purpose of selling hearing instruments*** [~~customer~~].

(b) Stage II — This training stage shall last for ***one hundred fifty (150)*** [~~sixty (60)~~] days. During this period the ***apprentice*** [~~trainee~~] may do testing necessary for the proper selection and fitting of a hearing ***instrument*** [~~aid~~] and make ear impressions. During this period the ***apprentice shall be under the direct supervision of his sponsor or a licensed specialist in hearing instruments who shall also qualify as a sponsor as defined in subsection (10) of Section 9 of this Act. During this period the apprentice shall*** [~~trainee may~~] not make delivery or final fitting ***without direct personal supervision during the actual delivery.***

(c) Stage III — ***This training stage shall last for one hundred eighty (180) days. The apprentice*** [~~the trainee~~] may engage in all activities of a licensed person. He ***shall*** [~~must~~], however, work under and be responsible to a licensed ***sponsor for the remainder of the apprentice period*** [~~dealer the following ninety (90) days~~].

(3) The above stages ***shall*** [~~must~~] be completed with no interim time lapse between stages. ***If the apprentice*** [~~In the event the trainee~~] leaves his place of training without approval of his employer, he loses seniority, and ***shall*** [~~must~~] revert to stage I. This ruling is subject to appeal to the board.

(4) After such period has passed, ***the apprentice*** [~~trainee~~] shall take the qualifying examination given by the board for a license and upon successfully passing ***the*** [~~said~~] examination ***and paying the appropriate fee***, may obtain a license.

(5) If a person who holds ***an apprentice*** [~~a temporary~~] permit issued under this section takes and fails to pass the qualifying examination, the board may renew the ***apprentice*** [~~temporary trainee~~] permit for a period ending ten (10) days after the date of the next qualifying examination. A fee ***established by the board by the promulgation of an administrative regulation*** [~~of twenty-five dollars ($25.00)~~] shall be paid at the time the qualifying examination is repeated. ***An apprentice*** [~~A temporary trainee~~] permit may be renewed only once and during this period the ***apprentice*** [~~trainee~~] shall ***revert to*** [~~continue in~~] stage ***II*** [~~III~~] of the [~~trainee~~] apprenticeship period.

(6) ***If a person who holds an apprentice permit fails the examination twice, his apprentice permit shall not be renewed. He shall immediately stop fitting hearing instruments. Failure to stop shall invoke the penalties as established in KRS 334.990*** [~~At such time as a course in fitting and selling of hearing aids, as approved by the board, shall be established in the Commonwealth of Kentucky, a satisfactory completion of this course shall be considered equivalent to stages I and II of the trainee period~~].

(7) ***An apprentice, having failed the examination twice, may pay a fee established by the board by the promulgation of an administrative regulation and take the examination the next time it is given if documented proof of further study has been established*** [~~Any person who shall hold an unsuspended or unrevoked certificate or license to fit and sell hearing aids in another state may make application to the board for examination in lieu of any trainee period~~].

(8) ***Apprentice*** [~~Temporary trainee~~] permit holders shall be governed by all ***administrative*** [~~standards of~~] regulations and ***standards of*** ethical conduct pertaining to regular licensees.

(9) The satisfactory completion of a course in the selling or fitting of hearing instruments approved by the board may be considered equivalent to stages I and II of the apprenticeship period.

(10) No person shall sponsor an apprentice unless he is a licensed specialist in hearing instruments with a minimum of three (3) years experience or NBC-HIS board certification or has a current license issued pursuant to KRS Chapter 334 on or before December 31, 1992. No sponsor may have more than two (2) apprentices at one (1) time. The sponsor shall be responsible for all sales and service of the apprentices and all monetary reimbursements.

Section 10. KRS 334.100 is amended to read as follows:

(1) ***Every*** [~~A~~] person who holds a license ***or an apprentice***[~~, a temporary trainee~~] permit [~~or a certificate of endorsement~~] shall notify the board in writing of the ***location*** [~~address of the place or places~~] where he engages or intends to engage in the practice of ***selling or*** fitting [~~or sale of~~] hearing ***instruments or where the person is in training*** [~~aids~~].

(2) The board shall keep a record of ***each location*** [~~the places~~] where ***a licensee or apprentice intends to practice or train*** [~~the practice of fitting and selling or offering for sale hearing aids is engaged in, as well as the places of practice of persons who hold licenses, temporary trainee permits or certificates of endorsement~~].

(3) Any notice required to be given by the board to a person who holds a license ***or apprentice***[~~, temporary trainee~~] permit [~~or certificate of endorsement~~] may be given by mailing it to [~~him at~~] the ***last known*** address of the ***licensee or apprentice*** [~~last place of practice of which he has notified the board~~].

Section 11. KRS 334.110 is amended to read as follows:

Each person who engages in the ***selling or*** fitting [~~and sale~~] of hearing ***instruments*** [~~aids~~] shall annually, on or before January 30, pay to the board a fee ***to be established by the board by the promulgation of an administrative regulation*** [~~of fifty dollars ($50.00)~~] for a renewal of his license [~~or certificate of endorsement~~]. Where more than one ***(1)*** office is operated by the licensee, duplicate certificates shall be issued by the board for posting in each location. A thirty-day grace period shall be allowed after January 30, during which time licenses may be renewed on payment of a ***late*** fee ***and penalty to be established by*** [~~of seventy-five dollars ($75.00) to~~] the board ***by the promulgation of an administrative regulation***. The board may suspend the license of any person who fails to renew his license [~~or certificate of endorsement~~] before the expiration of the thirty-day grace period. After the expiration of the grace period, the board may in its discretion renew ***the*** [~~such~~] license upon the payment of ***an additional fee to be established by the board by the promulgation of an administrative regulation*** [~~one hundred dollars ($100.00) to the board~~]. No person who applies for renewal, whose license has expired, shall be required to submit to any examination as a condition to renewal, ***if the*** [~~provided such~~] renewal application is made within two (2) years from the date of [~~such~~] expiration.

Section 12. KRS 334.120 is amended to read as follows:

(1) ***Complaints against licensed persons shall be handled by the board in the following manner:***

(a) Any person desiring to make a complaint against a licensee under this chapter shall reduce the complaint to writing and file it with the board.

(b) The board may conduct an investigation into any complaint which the board feels may constitute a violation of this chapter or the administrative regulations promulgated thereunder.

(c) The board may require that the licensee file a statement or report in writing as to the facts and circumstances concerning the complaint together with other information, material, or data reasonably related thereto.

(d) The board may request the assistance of the Attorney General in connection with an investigation.

(e) The board may employ the services of a hearing officer to conduct hearings, pre-hearing conferences, advise the board as to legal matters, and provide other legal services deemed appropriate by the board.

(2) If the board determines the charges made in the complaint are sufficient to warrant a hearing to determine whether the license issued under this chapter shall be suspended, revoked, or subject to reprimand,

it shall make an order fixing a time and place for a hearing and require the licensee complained against to appear and defend against the complaint.

(a) The order shall have attached to it a copy of the complaint.

(b) The order and copy of the complaint shall be served upon the licensee at his last known address at least twenty (20) days before the date set for hearing.

(c) Continuances or adjournment of hearing date may be made by the hearing officer or chairman of the board for good cause.

(3) The provisions of this chapter shall in no way limit the jurisdiction and authority of the Attorney General to take any necessary action under the Kentucky Consumer Protection Act, KRS 367.110 to 367.300.

(4) The board may suspend, revoke, or levy a fine not to exceed one thousand dollars ($1,000), refuse to issue or renew any license for a fixed period of time, place on probation, issue a written reprimand to a licensee, or any combination thereof, based on a finding of the board that a person licensed under the provisions of this chapter has committed any of the following acts:

(a) Change of personal name, corporate name, charter, entity, or partnership name or composition to avoid the imposition of liens or court action;

(b) The conviction of a felony, or a misdemeanor involving moral turpitude. The record of conviction, or a copy thereof, certified by the clerk of the court or by the judge in whose court the conviction is had, shall be conclusive evidence of such conviction;

(c) Procuring of license by fraud or deceit practiced upon the board;

(d) Unethical conduct as defined by the board by promulgation of an administrative regulation;

(e) Engaging in any unfair, false, misleading, or deceptive act or practice;

(f) Incompetence or negligence in the practice of selling or fitting hearing instruments; or

(g) Violating any provision of this chapter or the administrative regulations promulgated thereunder [~~Any person desiring to make a complaint against a licensee under this chapter shall reduce the same to writing and file the complaint with the board. A copy of all complaints received by the board shall be given to the division of consumer protection of the office of the attorney general. The board shall conduct an investigation into all such complaints. The board may require that the licensee file a statement or report in writing as to the facts and circumstances concerning the complaint together with such other information, material, or data, as may be reasonable, related thereto. The board may request the assistance of the attorney general in connection with such an investigation. If the board determines the charges made in the complaint are sufficient to warrant a hearing to determine whether the license issued under this chapter shall be suspended or revoked, it shall make an order fixing a time and place for a hearing and require the licensees complained against to appear and defend against the complaint. The order shall have annexed thereto a copy of the complaint. The order and copy of the complaint shall be served upon the licensee at least twenty (20) days before the date set for hearing at the last known address. Continuances or adjournment of hearing date shall be made if for good cause. The provisions of KRS Chapter 334 shall in no way limit the jurisdiction and authority of the attorney general to take any necessary action under the Kentucky consumer protection act, KRS 367.110 to 367.300.~~

~~(2) Any person registered under this chapter may have his license revoked or suspended for a fixed period by the board for any of the following causes:~~

~~(a) The conviction of a felony, or a misdemeanor involving moral turpitude. The record of conviction, or a copy thereof, certified by the clerk of the court or by the judge in whose court the conviction is had, shall be conclusive evidence of such conviction.~~

~~(b) Procuring of license by fraud or deceit practiced upon the board.~~

~~(c) Unethical conduct, including:~~

~~1. The obtaining of any fee or the making of any sale by fraud or misrepresentation;~~

~~2. Employing directly or indirectly any suspended or unregistered person to perform any work covered by this chapter;~~

~~3. Using or causing or promoting the use of any advertising matter, promotional literature, testimonial, guarantee, warranty, label, brand, insignia, or any other representation, however disseminated or published, which is misleading, deceptive or untruthful;~~

~~4. Advertising a particular model or type of hearing aid for sale when purchasers or prospective purchasers responding to the advertisement cannot purchase the advertised model or type, where it is established that the purpose of the advertisement is to obtain prospects for the sale of a different model or type than that advertised;~~

~~5. Representing that the service or advice of a person licensed to practice medicine will be used or made available in the selection, fitting, adjustment, maintenance or repair of hearing aids when that is not true, or using the words "doctor," "clinic," "clinical audiologist," or "state licensed," "state approved" or similar words, abbreviations or symbols which give the impression that service is being provided by persons trained in medicine or audiology, or that the licensee's service is state recommended when such use is not accurate;~~

~~6. Permitting another's use of a license;~~

~~7. Advertising a manufacturer's product or using a manufacturer's name or trademark which implies a relationship with the manufacturer that does not exist; or~~

~~8. Directly or indirectly giving or offering to give, or permitting or causing to be given money or anything of value to any person who advises another in a professional capacity as an inducement to influence him or have him influence others to purchase or contract to purchase products sold or offered for sale by a hearing aid dealer or fitter, or influencing persons to refrain from dealing in the products of competitors.~~

~~(d) Conducting business while suffering from a contagious or infectious disease.~~

~~(e) Engaging in the fitting and sale of hearing aids under a false name, or alias.~~

~~(f) Selling a hearing aid to a person who has not been given tests utilizing appropriate established procedures and instrumentation in fitting of hearing aids.~~

~~(g) Gross incompetence or negligence in fitting and selling hearing aids.~~

~~(h) Advertising professional methods or professional superiority.~~

~~(i) Violating any provisions of this chapter~~].

Section 13. KRS 334.130 is amended to read as follows:

No person shall:

(1) Sell, barter, or offer to sell or barter a license, or ***apprentice*** [~~a temporary trainee~~] permit.

(2) Purchase or procure by barter a license or ***apprentice*** permit with intent to use it as evidence of the holder's qualification to practice the ***selling or*** fitting [~~and sale~~] of hearing ***instruments*** [~~aids~~].

(3) Alter a license or ***apprentice*** [~~temporary trainee~~] permit with fraudulent intent.

(4) Use or attempt to use as a valid license or ***apprentice*** [~~temporary trainee~~] permit, a license or ***apprentice*** permit which has been purchased, fraudulently obtained, counterfeited, or materially altered.

(5) Willfully make a false statement in an application for license or ***apprentice*** permit or application for renewal of a license ***or apprentice permit.***

(6) Sell, barter, or offer for sale ***or barter*** any brand or model of hearing ***instrument*** [~~aid device~~] not having the approval of the board [~~for licensing hearing aid dealers~~] for reasonable merchantability and workmanship.

Section 14. KRS 334.140 is amended to read as follows:

(1) There is hereby created the "Kentucky ***Licensing*** Board for ***Specialists in*** [~~Licensing~~] Hearing ***Instruments*** [~~Aid Dealers~~]".

(2) The board shall be composed of nine (9) members who shall be appointed by the Governor [~~within thirty (30) days after June 16, 1972~~]. Terms of office shall be ***at the Governor's discretion, not to exceed*** [~~for~~] four years. [~~Appointments shall be scheduled so that two (2) appointments shall be made every year, except the fourth year when one appointment shall be made. To accomplish this, initial appointments shall be made on the following schedule: Two (2) for one (1) year; three (3) for two (2) years; two (2) for three (3) years; and two (2) for four years.~~] All terms shall expire on July 31 of ***the*** designated year. Each member shall serve for the term of his appointment and until his successor has been appointed and qualified. ***If*** [~~In the event of~~] a vacancy ***occurs*** on the board, a new member shall be appointed to serve out the unexpired term. No member shall serve [~~more than one (1)~~] consecutive ***terms on the board*** [~~term~~]. ***Upon recommendation of the board,*** the Governor may remove ***any*** [~~a~~] member ***of the board for excessive absenteeism, neglect of duty, or malfeasance in office*** [~~only for cause~~].

(3) Five (5) members shall be ***specialists in*** hearing ***instruments licensed under KRS 334.080*** [~~aid dealers~~]. The [~~initial~~] appointees shall have at least five ***(5)*** years' ***relevant*** experience [~~as dealers~~]. [~~Those appointed thereafter shall be licensed under this chapter.~~] The Governor shall consider nominations from the [~~Kentucky~~] Hearing Aid [~~Dealers~~] Association ***of Kentucky. No*** [~~There shall not be~~] two ***(2)*** members from the same place of business ***may serve*** [~~serving~~] on the board at the same time.

(4) One (1) member shall be a physician licensed to practice medicine in Kentucky and specializing in otology or otolaryngology.

(5) One (1) member shall be an audiologist holding at least a Master's degree from a recognized college or university ***and*** having the certification of clinical competence in audiology from the American Speech-***Language***-[~~and~~]Hearing Association ***and licensed under KRS Chapter 334A.***

(6) One (1) member shall be a citizen at large who is not associated with or financially interested in the practice or business regulated.

(7) One (1) member shall be the secretary for ***the Cabinet for*** Human Resources or his designee.

(8) Five (5) members of the nine (9) members of the board, [~~including either the physician or the audiologist,~~] when properly convened, may conduct the business of the board.

Section 15. KRS 334.150 is amended to read as follows:

The powers and duties of the board ***shall be*** [~~are~~] as follows:

(1) To authorize all disbursements necessary to carry out provisions of this chapter.

(2) To prepare and administer qualifying examinations to test the knowledge and proficiency of applicants for licensing.

(3) To ***license*** [~~register~~] persons who apply to the board and who are qualified to practice the fitting of hearing ***instruments*** [~~aids~~].

(4) To purchase and maintain or rent audiometric equipment and facilities necessary to carry out the examination of applicants for licensing.

(5) To issue and renew licenses [~~and certificates of indorsement~~].

(6) To suspend, [~~or~~] revoke, ***refuse to issue, or renew*** licenses, ***impose probationary or supervisory conditions, issue letters of reprimand, or levy fines against a licensee, or any combination thereof*** [~~and certificates of indorsement pursuant to this chapter~~].

(7) To appoint representatives to conduct or supervise the examination of applicants for licensing.

(8) To designate the time and place for examining applicants [~~or certificates~~].

(9) To ***promulgate administrative*** [~~make and publish rules and~~] regulations ***consistent*** [~~not inconsistent~~] with the laws of this Commonwealth which are necessary to carry out the provisions of this chapter.

(10) To require the periodic inspection of audiometric testing equipment and to carry out the periodic inspection of facilities of persons who practice the fitting of hearing ***instruments*** [~~aids~~].

(11) To employ [~~necessary personnel. The board may employ, or discharge at its discretion, such~~] secretaries, attorneys, inspectors, clerks, or any other employees ***that*** [~~as~~] the board may deem necessary to carry out the provisions of this chapter. ***The board may employ or discharge at its discretion.***

(12) To initiate a formal educational program consistent with the intent of this chapter in that the consumer public shall be served by the ***specialist in*** hearing ***instruments*** [~~aid specialist~~] trained in the latest technology in fitting [~~and dispensing of~~] hearing instruments.

(13) ***To promulgate administrative regulations establishing requirements and standards for continuing education.***

(14) To administer oaths and to require the attendance of witnesses, the production of books, records and papers pertinent to any matters coming before the board by the issuance of process which shall be served and returned in the same manner as in civil actions and for the disobedience of which the board shall have by resort to a court of competent jurisdiction the power to invoke the same rights as are provided in the event of disobedience of a subpoena or subpoena duces tecum in a civil action.

Section 16. KRS 334.160 is amended to read as follows:

(1) [~~Within thirty (30) days after its appointment by the Governor, the first board shall meet in the city of Frankfort. Thereafter,~~] The board shall meet at least once a year at times and places to be designated by the board and upon such notice as the board may prescribe. At its first meeting ***each calendar year*** the board shall elect a chairman, vice chairman, and secretary-treasurer, each to serve in his respective capacity for one (1) year[~~, and thereafter said officers shall be elected annually~~].

(2) [~~The board shall keep a record of all of its proceedings and transactions and shall annually make a report to the Governor showing all receipts and disbursements and a summary of all business transacted during the year.~~

~~(3)~~] Fees, charges, and other moneys collected by the board shall be paid into the State Treasury and credited to a trust and agency fund to be used to pay expenses in administering this chapter. All moneys shall be received, disbursed, and accounted for by the [~~secretary-treasurer, who shall be bonded at the expense of the~~] board ***or its designee***. All moneys not expended by the board to pay expenses in administering this chapter shall be retained by the board from year to year to be expended for the purposes expressed in this chapter.

(3)[~~(4)~~] Each member of the board shall be paid a reasonable sum, not to exceed ***one hundred*** [~~twenty-five~~] dollars ***($100)*** [~~($25.00)~~] per day, for each day of actual service on the board and shall be reimbursed all reasonable and necessary travel expenses.

Section 17. KRS 334.170 is amended to read as follows:

The ***Division of Occupations and Professions in the Finance and Administration Cabinet*** [~~cabinet for human resources~~] shall provide administrative aid to the board to assist it in the discharge of its duties.

Section 18. KRS 334.180 is amended to read as follows:

(1) A licensee whose license has been revoked may petition the board for reinstatement. The board shall investigate the petition and may reinstate the license upon finding that the individual has complied with any terms prescribed by the board and is again able to engage in the practice of fitting hearing instruments.

(2) A ***licensee*** [~~certificate holder~~] or applicant aggrieved by an order of the board refusing, suspending, or revoking a license [~~or certificate of endorsement~~] may within thirty (30) days after notice thereof appeal thereupon to the ***Franklin*** Circuit Court [~~of the county in which the certificate holder or applicant conducts his practice or has his place of business or resides~~]. The appeal shall be determined by the court upon the certified record and no new or additional evidence shall be heard or considered by the court. Either party aggrieved by a final order entered by the [~~circuit~~] court may appeal to the Court of Appeals as in a civil action.

Section 19. KRS 334.200 is amended to read as follows:

(1) ***No*** [~~It is unlawful for an~~] individual licensed under this chapter ***shall*** [~~to~~] sell or ***fit*** [~~dispense~~] a hearing ***instrument*** [~~aid~~] to any person unless within the preceding ninety (90) days:

(a) The person has been examined by and received a written, signed, and dated approval for a hearing ***instrument*** [~~aid~~] from a duly licensed physician. The written approval shall include, [~~but not be limited to,~~] a statement that the person examined has no known ear diseases or conditions of the ear which might make the fitting and wearing of a hearing ***instrument*** [~~aid~~] useless, or harmful to the person's health, or which might interfere with the proper fitting and wearing of a hearing ***instrument*** [~~aid~~]; and,

(b) The person has received a hearing ***instrument*** [~~aid~~] evaluation, and a written, signed, and dated recommendation for a hearing ***instrument*** [~~aid~~] from a physician or an audiologist licensed or authorized to practice audiology pursuant to KRS 334A. The written recommendation may take the form of a specific recommendation as to the make and model of a hearing ***instrument*** [~~aid~~] or may include a listing of specifications for a hearing ***instrument*** [~~aid~~].

(2)[~~(c)~~] Any ***client*** [~~person~~] eighteen (18) years of age or older may elect to sign a waiver to the requirements of subsections ***(1)***(a) and (b) of this section before the purchase of a hearing ***instrument*** [~~aid~~]. The waiver shall be on a separate sheet of paper, shall be read to the prospective purchaser of a hearing ***instrument*** [~~aid~~], and shall recite: "I ***have been advised by the seller (name) that the Food and Drug Administration has determined that my best health interest would be served if I had a medical evaluation by a licensed physician and preferably a physician who specializes in diseases of the ear before purchasing a hearing instrument. I do not wish a medical evaluation before purchasing a hearing instrument." The waiver shall be dated and signed by seller and client.*** [~~am eighteen (18) years old or older, and I voluntarily sign this waiver which indicates that I do not wish to have a hearing aid evaluation by a physician or an audiologist prior to purchasing this hearing aid(s)."~~]

~~(2) No physician conducting an examination for an approval or hearing aid evaluation, or an audiologist conducting a hearing aid evaluation, under this section shall have a direct or indirect interest in any business concern controlled by, or employing, a licensee solely for the purpose of engaging in the fitting or sale of hearing aids for profit.~~]

(3) Any person licensed to sell hearing ***instruments*** [~~aids~~] under this chapter shall maintain for not less than three (3) years, in a file under the name of the person to whom a hearing ***instrument*** [~~aid~~] was sold, a true copy of the written approval pursuant to subsection (1)(a) of this section; and a true copy of the written recommendation for a hearing ***instrument*** [~~aid~~] pursuant to subsection (1)(b) of this section or the waiver of such written recommendation pursuant to subsection ***(2)*** [~~(1)(c)~~] of this section,[~~;~~] and a true copy of the ***written agreement, offer to purchase, or*** receipt given the person, pursuant to KRS 334.030(1).

Section 20. KRS 334.210 is amended to read as follows:

(1) The ***client in*** [~~buyer of~~] a hearing ***instrument purchase,*** [~~aid~~] has the right to cancel ***the*** [~~such~~] purchase for any reason at any time prior to midnight of the thirtieth [~~(30th)~~] calendar day after actual receipt of the hearing ***instrument*** [~~aid~~].

(2) Cancellation occurs when the ***client*** [~~buyer~~] gives written notice of cancellation to the seller at the address stated in the notice and statement of the ***client's*** [~~buyer's~~] right to cancel provided for in subsection (5) of this section.

(3) Notice of cancellation, if given by mail, is given when it is deposited in the mail properly addressed and postage prepaid.

(4) Notice of cancellation given by the ***client*** [~~buyer~~] need not take a particular form and is sufficient if it indicates by a form of written expression the intention of the ***client*** [~~buyer~~] not to be bound by the hearing ***instrument*** [~~aid~~] sale.

(5) In the sale of a hearing ***instrument*** [~~aid~~], the seller ***shall*** [~~must~~] present to each ***client*** [~~buyer~~], at the time ***the client*** [~~such buyer~~] assumes any financial obligation with respect to the purchase of a hearing ***instrument*** [~~aid~~], a written notice and statement of the ***client's*** [~~buyer's~~] right to cancel which ***shall*** [~~must~~]:

(a) Appear under the conspicuous caption; "***CLIENT'S*** [~~BUYER'S~~] RIGHT TO CANCEL WITHIN 30 DAYS," and

(b) Contain the following specific statement in all capital letters in no smaller type than the largest used in the body copy portion of the written agreement, offer to purchase, or receipt: "THE ***CLIENT*** [~~BUYER~~] HAS THE RIGHT TO CANCEL THIS PURCHASE FOR ANY REASON AT ANY TIME PRIOR TO MIDNIGHT OF THE 30TH CALENDAR DAY AFTER ACTUAL RECEIPT OF THE HEARING ***INSTRUMENT(S)*** [~~AID(S)~~]. YOU MAY CANCEL THE PURCHASE BY NOTIFYING THE SELLER THAT YOU DO NOT WANT THE HEARING ***INSTRUMENT(S)*** [~~AID(S)~~] BY MAILING A NOTICE BEFORE ____________________ TO THE SELLER AT:

____

____

UPON CANCELLATION, THE SELLER MAY KEEP ***UP TO 10% OF THE SELLING PRICE.*** [~~THE FOLLOWING CANCELLATION CHARGES:~~

~~$~~______________________ ~~CANCELLATION FEE~~

~~$~~______________________ ~~CUSTOM EAR MOLD(S)~~

~~$~~______________________ ~~BATTERIES~~

~~$~~______________________ ~~TOTAL~~]"

(6) The seller shall enter on the notice and statement required by subsection (5) of this section the date which is thirty (30) calendar days from the date on which the ***client*** [~~buyer~~] receives the hearing ***instrument(s)*** [~~aid(s) excluding the date of purchase~~]; the seller's full name and address; and the cancellation charges allowed by [~~subsection (10) of~~] this section.

(7) Until the seller has complied with this section, the ***client*** [~~buyer~~] may cancel the purchase by notifying the seller in any manner and by any means of his intention to cancel.

(8) Within fifteen (15) days after the ***return of the hearing instrument or instruments and any other goods or property delivered by the seller pursuant to the sale by the client*** [~~date of notice of cancellation by the buyer~~], the seller ***shall*** [~~must~~] tender to the ***client*** [~~buyer~~] any payments made by the ***client, less any amount retained by the seller to repair damage to the hearing instrument due to a lack of reasonable care of the hearing instrument purchased,*** [~~buyer~~] and terminate all financial obligations created in connection with the purchase of the cancelled hearing ***instrument or instruments*** [~~aid~~] by the ***client*** [~~buyer~~].

(9) If payment by the ***client*** [~~buyer~~] includes any goods or property traded in, the goods or property ***shall*** [~~must~~] be tendered to the ***client*** [~~buyer~~] in substantially as good condition as when they were received by the seller. If the seller fails to tender the goods or property as provided by this subsection, the ***client*** [~~buyer~~] may elect to recover an amount equal to the trade-in allowance for ***the*** [~~such~~] goods or property.

(10) [~~The seller may retain as a cancellation fee an amount not to exceed fifteen dollars ($15) plus five (5) percent of the total price charged by the seller for the fitting and sale of the hearing aid, excluding any cancellation charges for any custom ear mold or batteries specifically stated in the notice and statement required by subsection (5) of this section. The cancellation charges for any custom ear mold and batteries shall not exceed twice the actual purchasing cost of such ear mold and/or batteries to the seller or the seller's regular selling price for such ear mold and/or batteries, whichever is less.~~

~~(11)~~] The provisions of this section shall not apply to a sale of a hearing ***instrument that replaces*** [~~aid made pursuant to a written recommendation of a specific hearing aid by serial number or by specific make and model, made by a physician or an audiologist who receives no direct or indirect financial compensation from the seller for such recommendation or for services rendered in connection with such recommendation; or to a sale made to replace~~] a damaged or unworkable hearing ***instrument,*** [~~aid~~] when the replacement hearing ***instrument*** [~~aid which is sold~~] is identical to ***the*** [~~such~~] damaged or unworkable hearing ***instrument*** [~~aid~~].

(11)[~~(12)~~] Until the seller has complied with the obligations imposed by this section, the ***client*** [~~buyer~~] may retain possession of all goods or property delivered to him by the seller and has a lien on the goods or property in his possession or control for any recovery to which he is entitled.

(12)[~~(13) After the purchase of a hearing aid has been cancelled and the seller has completely fulfilled all his obligations under this section, the buyer upon demand must tender to the seller any goods or property delivered by the seller pursuant to the sale.~~

~~(14)~~] The ***client*** [~~buyer~~] has a duty to take reasonable care of the goods***, as defined by the board by promulgation of an administrative regulation,*** in his possession before cancellation and for a reasonable time thereafter until delivered to the seller.

(13)[~~(15)~~] Any waiver by the ***client*** [~~buyer~~] of rights provided in this section is [~~null and~~] void, and ***shall*** [~~will~~] not operate to relieve the seller of any obligation placed upon him by this section.

(14)[~~(16)~~] Nothing in this section shall in any way limit the right to cancel home solicitation sales, pursuant to KRS 367.410 to 367.460.

Section 21. KRS 334.990 is amended to read as follows:

(1) Violation of any provision of this chapter is a misdemeanor punishable, upon conviction, by a ***penalty not to exceed two thousand five hundred dollars ($2,500) for each failure to comply with the orders of the board concerning each violation of law or administrative regulation concerning specialists in hearing instruments*** [~~fine of not more than $500~~] or by imprisonment in the county jail for not more than ninety (90) days, or both.

(2) In addition to any other action authorized by law, the Attorney General may enforce provisions of this chapter by civil action for injunctive relief in any ***court*** [~~courts~~] of competent jurisdiction. In an action to obtain an injunction, it shall be sufficient to allege and prove that a violation of this chapter has occurred or is about to occur, and it shall not be necessary to allege or prove that any person has been misled or deceived by an unethical conduct or that any person has been damaged or sustained any loss as a result of any violation of this chapter.

Section 22. The following KRS section is repealed:

334.135 Board transferred to Division of Occupations and Professions for administrative purposes.

HB 648, AN ACT relating to hotel in-room sales of alcoholic beverages.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 243 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, the following definitions shall apply:

(a) "Hotel" means any hotel, motel, inn, or other establishment which offers overnight accommodations to the public for hire;

(b) "In-room service" means the delivery of alcoholic beverages in unbroken packages by an employee of the hotel to a registered guest's room when the alcoholic beverages have been ordered by a guest and when the guest shall be billed for the cost of the alcoholic beverages at the time of delivery, with all sales of the alcoholic beverages being completed upon delivery; and, additionally, the provision of a cabinet or other facility located in a hotel guest's room which contains alcoholic beverages and which is provided upon written request of the guest and which is accessible by lock and key or remote control device only to the guest, with the sale of the alcoholic beverages contained therein being final at the time requested, except for a credit which may be given to the guest for any unused portion.

(2) The department may issue a hotel in-room service license to any hotel which is licensed to sell distilled spirits, wine, and malt beverages upon the payment of a fee of one hundred dollars ($100). The license shall authorize the licensee to sell distilled spirits, wine, and malt beverages by in-room service. The sale of alcoholic beverages by in-room service shall be subject to all restrictions and limitations contained in KRS Chapter 241 to 244, and the administrative regulations issued pursuant thereto, and shall be authorized only on the days and only during the hours as the sale of alcoholic beverages is otherwise authorized in the county or municipality. Distilled spirits sold pursuant to this section shall not be sold in packages containing less than two hundred (200) milliliters each. All alcoholic beverages sold pursuant to this section shall be subject to all state and local taxes imposed on alcoholic beverages and shall be purchased from a licensed wholesaler and distributor.

The Committee Substitute to **HB 648** is as follows:

HB 648, AN ACT relating to hotel in-room sales of alcoholic beverages.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 243 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, the following definitions shall apply:

(a) "Hotel" means any hotel, motel, inn, or other establishment which offers overnight accommodations to the public for hire;

(b) "In-room service" means the delivery of alcoholic beverages in unbroken packages by an employee of the hotel to a registered guest's room when the alcoholic beverages have been ordered by a guest and when the guest shall be billed for the cost of the alcoholic beverages at the time of delivery, with all sales of the alcoholic beverages being completed upon delivery; and, additionally, the provision of a cabinet or other facility located in a hotel guest's room which contains alcoholic beverages and which is provided upon written request of the guest and which is accessible by lock and key or remote control device only to the guest, with the sale of the alcoholic beverages contained therein being final at the time requested, except for a credit which may be given to the guest for any unused portion. The licensee may stock a cabinet or other facility located in a hotel guest room pursuant to this section, with fifty (50) milliliter containers of distilled spirits.

(2) The department may issue a hotel in-room service license to any hotel which is licensed to sell distilled spirits, wine, and malt beverages upon the payment of a fee of one hundred dollars ($100). The license shall authorize the licensee to sell distilled spirits, wine, and malt beverages by in-room service. The sale of alcoholic beverages by in-room service shall be subject to all restrictions and limitations contained in KRS Chapter 241 to 244, and the administrative regulations issued pursuant thereto, and shall be authorized only on the days and only during the hours as the sale of alcoholic beverages is otherwise authorized in the county or municipality. All alcoholic beverages sold pursuant to this section shall be considered by the drink sales and shall be subject to all state and local taxes imposed on alcoholic beverages and shall be purchased from a licensed wholesaler and distributor.

Section 2. KRS 244.340 is amended to read as follows:

(1) No retailer of distilled spirits or wine by the package[~~, other than a railroad system licensee,~~] shall purchase, keep upon the licensed premises, or sell any distilled spirits or wine by the package in any container except in the original sealed package containing quantities of not less than two hundred (200) milliliters of distilled spirits or one hundred (100) milliliters of wine and not exceeding one and seventy-five hundredths (1.75) liters [~~each~~] of distilled spirits or two hundred twenty (220) liters [~~each~~] of wine. ***Containers of fifty (50) milliliters for distilled spirits shall be permitted.***

(2) Each container shall have affixed to it ***all*** [~~such~~] labels as may be required by the ***administrative*** regulations of the board, together with all required federal revenue tax stamps.

(3) No container shall be opened nor its contents consumed on the licensed premises unless the licensee also holds a retail drink license.

Section 3. KRS 244.260 is amended to read as follows:

(1) No wholesaler shall purchase, import, [~~or~~] keep upon the licensed premises, or sell any distilled spirits or wine in any container except in the original sealed package containing quantities of not less than two hundred (200) milliliters each of distilled spirits or one hundred (100) milliliters of wine, and not exceeding 1.75 liters [~~each~~] of distilled spirits or two hundred twenty (220) liters [~~each~~] of wine, ***and fifty (50) milliliters of distilled spirits,*** as received from the distiller, rectifier, vintner, or wholesaler, as the case may be. ***The*** [~~Such~~] containers shall at all times have affixed to them ***all*** [~~such~~] labels as may be required by the ***administrative*** regulations of the board, together with all necessary federal revenue and state excise tax stamps.

(2) No wholesaler shall sell any distilled spirits or wine except in cases of containers of uniform size, except that wine may be sold in barrels or kegs. "Case" as used in this section means a carton of containers aggregating not less than six (6) liters nor more than twelve (12) liters of wine ***and distilled spirits.***

The Committee Title Amendment to **HB 648** is as follows:

Amend printed copy of **HB 648** by deleting the title and inserting in lieu thereof the following title:

"AN ACT relating to alcoholic beverage sales."

HB 670, AN ACT relating to the Kentucky Athletic Commission.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 229.061 is amended to read as follows:

(1) The commission may issue a permit, without the payment of any taxes or license, to any accredited college, university, school, Young Men's Christian Association, Young Men's Hebrew Association, or organization which in the judgment of the commission is of like character, to hold boxing or wrestling matches or exhibitions

upon a sufficient showing that the matches or exhibitions are to be held by and between bona fide students or members of such accredited colleges, universities, schools, Young Men's Christian Associations, Young Men's Hebrew Associations, or organizations which in the judgment of the commission are of like character. [~~The commission may also issue a permit, without payment of taxes or license, to any organization to hold a boxing or wrestling match or exhibition under the sanction of the Kentucky Association of the Amateur Athletic Union of the United States or the American Olympic Association. No boxer or wrestler who has received any fee, purse or other compensation shall be eligible to appear in any match or exhibition sponsored by any such institution, association or organization.~~]

(2) Any regularly organized post of the American Legion, and any organization operating solely for charitable purposes from which no individual, partnership, or corporation derives any monetary gain, may hold boxing or wrestling matches or exhibitions without the payment of the license fee prescribed by KRS 229.071. Any post of the American Legion or other organization holding matches or exhibitions under this section shall be subject to the provisions of KRS 229.031 and 229.051.

(3) No match permitted by subsections (1) and (2) of this section may be conducted without a permit to hold the specific match and accompanying program of events at a specified location on a specified date.

Section 2. KRS 229.071 is amended to read as follows:

(1) No person shall conduct or advertise a professional match without ***a*** [~~an annual~~] license ***and permit issued by*** [~~from~~] the commission to conduct the ***match. An*** [~~matches within a specified area and a permit to hold the specific match and the~~] accompanying program of events ***shall be filed with the application for permit which specifies the location, date and time of the match*** [~~at a specified location on a specific date~~].

(2) If, in the judgment of the commission, the financial responsibility, experience, character, and general fitness of an applicant, including in the case of corporations its officers and stockholders, are such that the participation of the applicant will be consistent with the public interest, convenience, or necessity and with the best interests of boxing or wrestling generally and in conformity with the purposes of this chapter, the commission may grant an annual license in accordance with the provisions ***of subsection (3) of this section*** [~~herein contained~~].

(3) The annual license fee shall be ***one hundred dollars ($100) for one (1) event, two hundred fifty dollars ($250) for up to five (5) events, four hundred dollars ($400) for up to ten (10) events, and one thousand dollars ($1,000) for an unlimited number of events*** [~~four hundred dollars ($400) if the professional matches are to be conducted within fifteen (15) miles of the city limits of a city or cities containing an aggregate population of two hundred thousand (200,000) or more and two hundred dollars ($200) elsewhere~~]. Each license shall expire twelve (12) months after the date of issue.

(4) No person may be issued an annual license unless he has been a resident of Kentucky for sixty (60) days prior to the issuance thereof, or in the case of a corporation, unless it has qualified to do business in the Commonwealth.

(5) In determining which applicant may be granted a permit to conduct a professional wrestling match the commission shall give preference to Kentucky residents and domestic corporations.

Section 3. KRS 229.081 is amended to read as follows:

No person shall participate in a professional match in any of the following enumerated capacities without holding a license issued by the commission.

The fees for such licenses shall be:

Person	Fee
[~~Announcer~~	~~$20.00~~
~~Auditor~~	~~5.00~~]
Contestant	25.00
[~~Doorman~~	~~5.00~~]
[~~Inspector~~	~~20.00~~

~~Judge (amateur)~~	~~1.00~~]
Judge (professional)	20.00
Manager	20.00
[~~Physician~~	~~25.00~~]
Referee	40.00
[~~Second~~	~~2.00~~
~~Ticket selling agent~~	~~5.00~~]
Timekeeper	20.00
[~~Trainer~~	~~20.00~~]

Licenses issued ***under this section*** [~~to referees and physicians~~] shall expire [~~twelve (12) months from date of issue and those issued to other officials~~] on December 31 of the year in which they are issued. The commission may fix a schedule establishing the compensation to be paid to officials for participating in a professional match. The compensation shall be paid by the person conducting the match, and by no other person.

Section 4. KRS 229.111 is amended to read as follows:

Contestants in a professional [~~or amateur~~] boxing or wrestling match or exhibition shall be examined by a reputable licensed physician appointed by the commission, and shall be in excellent health before participating in such a boxing or wrestling match or exhibition.

Section 5. KRS 229.151 is amended to read as follows:

(1) There is hereby established the Kentucky Athletic Commission which shall consist of ***seven (7)*** [~~five (5)~~] members, appointed by the Governor, ***with initial appointments for two (2) members for terms of four (4) years, two (2) members for terms of three (3) years, two (2) members for terms of two (2) years, and one (1) member for a term of one (1) year. Thereafter, members shall be appointed by the Governor for staggered terms of four (4) years. No person shall serve more than two (2) full consecutive terms. At least one (1) member shall have a background in the professional boxing or wrestling industry. At least one (1) member shall be a licensed physician. The executive director of the Division of Occupations and Professions shall serve on the commission in an ex officio capacity*** [~~each member to serve, at the will of the Governor, during the governor's incumbency, and until his successor has been appointed~~]. One (1) member shall be ***elected by the commission*** [~~designated~~] as chairman and one (1) member as vice chairman, who shall have authority to act as chairman in the event of the chairman's absence or inability to act. [~~The compensation of the chairman, vice chairman and other members of the commission shall be fixed in the same manner as is provided by KRS 64.640 (2).~~] The chairman, vice chairman, other members of the commission, and those persons referred to in KRS 229.161, shall receive ***one hundred dollars ($100)*** [~~twenty-five dollars ($25)~~] per day for each meeting attended and shall be paid their actual and necessary traveling and other expenses incurred by them in the performance of their official duties. ***Four (4)*** [~~The commission may adopt a seal for the commission and make such rules for the administration of their office, not inconsistent herewith, as they may deem expedient; and they may amend or abrogate such rules. Two (2)~~] members of the commission shall constitute a quorum to do business[~~; and, except as provided in KRS 229.220, the concurrence of at least two (2) members shall be necessary to render a determination by the commission~~].

(2) The board shall be placed for organizational purposes under the Division of Occupations and Professions which shall provide administrative and secretarial services.

Section 6. KRS 229.161 is amended to read as follows:

The commission may appoint ***or*** [~~, and at pleasure remove, a secretary to the commission, whose duty it shall be to keep a full and true record of all its proceedings, preserve at its general office all its books, documents and papers, as may be required of him by the commission and perform such other duties as the commission may prescribe. The secretary of the commission shall receive an annual salary to be fixed by the commission within budgetary appropriations. The commission may~~] employ [~~and remove at will such~~] other officers, employees, and inspectors [~~as may be~~] necessary to administer the provisions of this chapter [~~and fix their salaries or other compensation within the amount appropriated therefor by the General Assembly~~].

Section 7. KRS 229.171 is amended to read as follows:

The commission shall have and hereby is vested with the sole direction, management, control, and jurisdiction over all ***professional*** boxing, sparring, and wrestling matches or exhibitions[~~, professional as well as amateur,~~] to be conducted, held, or given within the Commonwealth. The commission is hereby given the sole control, authority, and jurisdiction over all licenses to hold boxing, sparring, or wrestling matches or exhibitions for prizes or purses or where an admission fee is received, and over all licenses to any and all persons who participate in ***the*** [~~such~~] boxing, sparring, or wrestling matches, or exhibitions.

Section 8. KRS 229.190 is amended to read as follows:

The ***commission may provide for hearing officers or impanel not less than three (3) of its members to conduct hearings. The commission or hearing officer or panel may*** [~~chairman shall have authority to~~] issue subpoenas for the attendance of witnesses and the production of documents [~~before the commission, and it may, by any member~~], administer oaths and affirmations, and [~~it may~~] examine witnesses in all matters pertaining to the administration of the affairs of the commission; and in case of disobedience of such subpoenas, any circuit judge, on application of the commission or of a commissioner, may compel obedience by proceedings for contempt as in the case of disobedience of a subpoena issued from the Circuit Court.

Section 9. KRS 229.200 is amended to read as follows:

(1) The commission may suspend, ***reprimand,*** [~~or~~] revoke, or refuse to renew or issue a license for the ***following reasons:*** [~~reason therein stated,~~] that the licensee or applicant has, in the judgment of the commission, been guilty of an act detrimental to the interests of boxing or wrestling generally or to the public interest, convenience, or necessity, including, but not by way of limitation, the violation of any of the provisions of this chapter or any rule or ***administrative*** regulation of the commission.

(2) [~~Without limiting the discretion of the commission as provided in this chapter,~~] The commission may suspend, ***reprimand,*** [~~or~~] revoke, [~~a license~~] or refuse to renew or issue a license, if it ***finds*** [~~shall find~~] that the applicant, or any person who is a partner, agent, employee, stockholder, or associate of the applicant, has been convicted of a crime in any jurisdiction, or is associating or consorting with any person who has or persons who have been convicted of a crime or crimes in any jurisdiction or jurisdictions, or is consorting or associating with or has consorted or associated with bookmakers, gamblers, or persons of similar pursuits, or has himself engaged in similar pursuits, or is financially irresponsible, or has been guilty of or attempted any fraud or misrepresentation in connection with boxing or wrestling, or has violated or attempted to violate any law with respect to boxing or wrestling in any jurisdiction or any rule, regulation, or order of the commission, or shall have violated any rule of boxing or wrestling which shall have been approved or adopted by the commission, or has been guilty of or engaged in similar, related, or like practices.

(3) ***(a) The commission may suspend, reprimand, revoke, or refuse to renew or issue a license to protect the health of the licensee, upon notification of the suspension or revocation of the license of a licensee in another state or jurisdiction.***

(b) Upon proceedings for the revocation of any license under KRS 229.081, the commission may, in its discretion, order a suspension of the license. However, the licensee may have the alternative, subject to the approval of the commission, to pay in lieu of part or all of the days of any suspension period. A sum not in excess of five hundred dollars ($500) [~~Any licensee whose license has been suspended, may with the approval of the commission, elect to pay the commission a penalty which the commission may fix at an amount not in excess of five hundred dollars ($500). Such a payment, when received by the commission, shall have the effect of removing the suspension~~].

Section 10. KRS 229.220 is amended to read as follows:

(1) [~~The chairman shall be the chief executive officer of the commission and is authorized to take any action or exercise any power given by this chapter to the commission, except the adoption of rules and regulations, and except as otherwise restricted by this section provided, however,~~] Any person aggrieved by any ***final*** act or ***final*** decision of ***a commission member, hearing officer, or hearing panel*** [~~the chairman~~] may appeal to the full commission by filing written notice with the secretary of the commission within ten (10) days of the act or decision being appealed, and the grounds for appeal, and the address of the appellant. Unless waived by the commission, the notice ***shall*** [~~must~~] be accompanied by a list of the names and addresses of any persons the appellant wishes to have subpoenaed by the commission for the hearing and a list of any documents he desires to have produced.

(2) Upon receipt of the notice of appeal, a hearing shall be set for a date not less than ten (10) nor more than thirty (30) days from the filing of the notice, and written notice of the time and place of the hearing

shall be mailed to the appellant not less than five (5) days in advance of such hearing. Upon the mutual agreement of the commission and appellant, an earlier or later date may be fixed, in which event no notice to appellant shall be required. All hearings shall be held at the office of the commission unless in the judgment of the commission it will be more expeditious to hold the hearing elsewhere within the Commonwealth.

(3) The full commission may approve, set aside, or modify the action or decision [~~of the chairman~~]. At least ***four (4)*** [~~three (3)~~] commissioners shall be required to conduct ***an appeal*** [~~a hearing~~] and the concurrence of a majority of those present at the hearing shall be necessary to render a decision. [~~The chairman may participate at the hearing, including, if he so elects, participation in the deliberations of the commission and the determination of its decision.~~] The commission shall furnish appellant with a statement of its findings of fact and the reasons for the decision reached. The findings of fact made by the commission shall, unless clearly arbitrary or capricious, be conclusive but any party aggrieved shall have the right of appeal as hereinbelow provided.

(4) Any party aggrieved by the ***final*** decision of the commission may appeal to the Franklin Circuit Court provided notice of appeal is filed with the commission within ten (10) days from the date of the decision and provided that, at the time of filing such notice the appellant shall deposit with the commission a sum sufficient to pay for the cost of taking and transcribing the proceedings before the commission, to be retained by the commission unless its decision is ultimately reversed, and provided that during such ten (10) day period the appellant shall post a bond with the clerk of the Franklin Circuit Court to secure the costs of the action in such sum as may be approved by the clerk, with good and solvent surety. Thereafter, the commission shall forthwith transmit the original record of all of the proceedings before the commission. Upon receipt of such record the clerk shall docket the appeal. No formal pleadings shall be required in such appeals. The case shall be set down by the court for a hearing, and after such hearing the court shall enter a judgment sustaining or setting aside the decision of the commission. Either party may appeal to the Court of Appeals from the judgment of the Circuit Court in accordance with the Rules of Civil Procedure.

Section 11. KRS 229.230 is amended to read as follows:

[~~No order or decision of the chairman shall be suspended pending a decision on an appeal to the full commission, and~~] No appeal from a ***final*** decision of the full commission shall suspend the effect of the decision, and no appeal from the judgment of the Franklin Circuit Court shall suspend the operation of ***the*** [~~said~~] judgment.

The Committee Substitute to **HB 670** is as follows:

HB 670, AN ACT relating to the Kentucky Athletic Commission.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 229.031 is amended to read as follows:

(1) Every person conducting a professional boxing or wrestling match or exhibition, other than those holding a permit under subsection (1) of KRS 229.061, shall, within twenty-four (24) hours after the termination of every match or exhibition, furnish to the commission a written report, verified by the person, if an individual, or by some officer, if a corporation or association, showing the number of tickets sold for the match or exhibition, the amount of the gross receipts from ***the*** [~~such~~] sale and such other matters as the commission ***may require by administrative regulation*** [~~prescribes~~].

(2) He shall also, within the same period, pay to the commission a tax of five percent (5%) of the gross receipts from the sale of all tickets to the match or exhibition ***and***[~~.~~

~~(2) He shall also pay to the commission, as soon as possible,~~] a tax of five percent (5%) of the gross receipts from all other sources, direct or indirect, including but not by way of limitation the gross receipts from the sale, lease or other exploitation of broadcasting, television and motion picture rights of such contests.

(3) [~~He shall also,~~] Prior to any [~~such~~] professional boxing or wrestling match or exhibition, ***every person conducting such match or exhibition shall*** file with the commission a copy of each contract involving compensation of the contestants and a copy of each contract under which he ***shall*** [~~will~~] receive, directly or indirectly, compensation from any source [~~whatsoever~~]. Any person making payments under any [~~such~~] contract ***provided for in this subsection*** shall promptly report to the commission the amount of ***the*** [~~any such~~] payments.

(4) Every person conducting a live broadcast of a professional boxing or wrestling match or exhibition shall pay to the commission, as soon as practicable, a tax of five percent (5%) of the gross receipts from all sources, direct or indirect, including, but not limited to, the gross receipts from the broadcast, closed

circuit telecast, pay-per-view telecast, or motion picture telecast of the professional boxing or wrestling match or exhibition.

(5)[~~(3)~~] All taxes required to be paid by this section shall be computed on the gross receipts without any deduction [~~whatsoever~~] for commissions, brokerage, distribution fees, advertising or other expenses, charges or recoupments in respect thereto, exclusive of any federal excise taxes.

(6)[~~(4)~~] Any person supplying radio, television or cable facilities for the broadcast or televising of any professional match shall, prior to the contest, notify the commission.

Section 2. KRS 229.061 is amended to read as follows:

(1) The commission may issue a permit, without the payment of any taxes or license, to any accredited college, university, school, Young Men's Christian Association, Young Men's Hebrew Association, or organization which in the judgment of the commission is of like character, to hold boxing or wrestling matches or exhibitions upon a sufficient showing that the matches or exhibitions are to be held by and between bona fide students or members of such accredited colleges, universities, schools, Young Men's Christian Associations, Young Men's Hebrew Associations, or organizations which in the judgment of the commission are of like character. [~~The commission may also issue a permit, without payment of taxes or license, to any organization to hold a boxing or wrestling match or exhibition under the sanction of the Kentucky Association of the Amateur Athletic Union of the United States or the American Olympic Association. No boxer or wrestler who has received any fee, purse or other compensation shall be eligible to appear in any match or exhibition sponsored by any such institution, association or organization.~~]

(2) Any regularly organized post of the American Legion, and any organization operating solely for charitable purposes from which no individual, partnership, or corporation derives any monetary gain, may hold boxing or wrestling matches or exhibitions without the payment of the license fee prescribed by KRS 229.071. Any post of the American Legion or other organization holding matches or exhibitions under this section shall be subject to the provisions of KRS 229.031 and 229.051.

(3) No match permitted by subsections (1) and (2) of this section may be conducted without a permit to hold the specific match and accompanying program of events at a specified location on a specified date.

Section 3. KRS 229.071 is amended to read as follows:

(1) No person shall conduct or advertise a professional match without ***a*** [~~an annual~~] license ***and permit issued by*** [~~from~~] the commission to conduct the ***match. An*** [~~matches within a specified area and a permit to hold the specific match and the~~] accompanying program of events ***shall be filed with the application for permit which specifies the location, date and time of the match*** [~~at a specified location on a specific date~~].

(2) If, in the judgment of the commission, the financial responsibility, experience, character, and general fitness of an applicant, including in the case of corporations its officers and stockholders, are such that the participation of the applicant will be consistent with the public interest, convenience, or necessity and with the best interests of boxing or wrestling generally and in conformity with the purposes of this chapter, the commission may grant an annual license in accordance with the provisions ***of subsection (3) of this section*** [~~herein contained~~].

(3) The annual license fee shall be ***established by the board by promulgation of administrative regulations*** [~~four hundred dollars ($400) if the professional matches are to be conducted within fifteen (15) miles of the city limits of a city or cities containing an aggregate population of two hundred thousand (200,000) or more and two hundred dollars ($200) elsewhere~~]. Each license shall expire twelve (12) months after the date of issue.

(4) No person may be issued an annual license unless he has been a resident of Kentucky for sixty (60) days prior to the issuance thereof, or in the case of a corporation, unless it has qualified to do business in the Commonwealth.

(5) In determining which applicant may be granted a permit to conduct a professional wrestling match the commission shall give preference to Kentucky residents and domestic corporations.

Section 4. KRS 229.081 is amended to read as follows:

No person shall participate in a professional match in any of the following enumerated capacities without holding a license issued by the commission ***and meeting all eligibility requirements as established by the commission by promulgation of administrative regulations***[~~:~~

~~The fees for such licenses shall be~~]:

[~~Person~~	~~Fee~~
~~Announcer~~	~~$20.00~~
~~Auditor~~	~~5.00~~]
(1) Contestant~~,~~[	~~25.00~~
~~Doorman~~	~~5.00~~
~~Inspector~~	~~20.00~~
~~Judge (amateur)~~	~~1.00~~]
(2) Judge***;*** [~~(professional)~~	~~20.00~~]
(3) Manager~~,~~[	~~20.00~~]
(4) Physician~~,~~[	~~25.00~~]
(5) Referee~~,~~[	~~40.00~~
~~Second~~	~~2.00~~
~~Ticket selling agent~~	~~5.00~~]
(6) Timekeeper***; or***[	~~20.00~~]
(7) Trainer.[	~~20.00~~]

Licenses issued ***under this section*** [~~to referees and physicians~~] shall expire [~~twelve (12) months from date of issue and those issued to other officials~~] on December 31 of the year in which they are issued. The commission may ***establish*** [~~fix~~] a schedule ***of*** [~~establishing the~~] compensation to be paid to officials for participating in a professional match ***by promulgation of administrative regulations.*** The compensation shall be paid by the person conducting the match, and by no other person.

Section 5. KRS 229.091 is amended to read as follows:

(1) Every licensee shall be subject to ***the administrative*** [~~such~~] regulations ***promulgated by*** [~~as~~] the commission [~~prescribes~~].

(2) Every application for a license shall be in writing, shall be addressed to the commission, and shall be verified by the applicant, if an individual, or by some officer, if a corporation or association, on whose behalf the application is made. It shall contain a recital of such facts as show the applicant entitled to receive a license and such other facts and recitals as the commission requires ***by administrative regulation*** to be shown.

Section 6. KRS 229.111 is amended to read as follows:

Contestants in a professional [~~or amateur~~] boxing or wrestling match or exhibition shall be examined by a reputable licensed physician appointed by the commission, and shall be in excellent health before participating in such a boxing or wrestling match or exhibition.

Section 7. KRS 229.151 is amended to read as follows:

(1) There is hereby established the Kentucky Athletic Commission which shall consist of ***seven (7)*** [~~five (5)~~] members, appointed by the Governor, ***with initial appointments for two (2) members for terms of four (4) years, two (2) members for terms of three (3) years, two (2) members for terms of two (2) years, and one (1) member for a term of one (1) year. Thereafter, members shall be appointed by the Governor for staggered terms of four (4) years. At least one (1) member shall have a background in the professional boxing or wrestling industry. At least one (1) member shall be a licensed physician. The executive director of the Division of Occupations and Professions shall serve on the commission in an ex officio capacity*** [~~each member to serve, at the will of the Governor, during the governor's incumbency, and until his successor~~

~~has been appointed~~]. One (1) member shall be designated ***by the Governor*** as chairman and one (1) member ***shall be elected by the commission*** as vice chairman, who shall have authority to act as chairman in the event of the chairman's absence or inability to act. [~~The compensation of the chairman, vice chairman and other members of the commission shall be fixed in the same manner as is provided by KRS 64.640 (2).~~] The chairman, vice chairman, other members of the commission, and those persons referred to in KRS 229.161, shall receive ***one hundred dollars ($100)*** [~~twenty-five dollars ($25)~~] per day for each meeting attended and shall be paid their actual and necessary traveling and other expenses incurred by them in the performance of their official duties. ***The commission shall hold one (1) regular meeting every three (3) months. Four (4)*** [~~The commission may adopt a seal for the commission and make such rules for the administration of their office, not inconsistent herewith, as they may deem expedient; and they may amend or abrogate such rules. Two (2)~~] members of the commission shall constitute a quorum to ***conduct*** [~~do~~] business[~~; and, except as provided in KRS 229.220, the concurrence of at least two (2) members shall be necessary to render a determination by the commission~~].

(2) The board shall be placed for organizational purposes under the Division of Occupations and Professions which shall provide administrative and secretarial services.

Section 8. KRS 229.161 is amended to read as follows:

The commission may appoint, [~~and at pleasure remove, a secretary to the commission, whose duty it shall be to keep a full and true record of all its proceedings, preserve at its general office all its books, documents and papers, as may be required of him by the commission and perform such other duties as the commission may prescribe. The secretary of the commission shall receive an annual salary to be fixed by the commission within budgetary appropriations. The commission may~~] employ and remove at will such other officers, employees, and inspectors as may be necessary to administer the provisions of this chapter [~~and fix their salaries or other compensation within the amount appropriated therefor by the General Assembly~~].

Section 9. KRS 229.171 is amended to read as follows:

The commission shall have and hereby is vested with the sole direction, management, control, and jurisdiction over all ***professional*** boxing, sparring, and wrestling matches or exhibitions[~~, professional as well as amateur,~~] to be conducted, held, or given within the Commonwealth. The commission is hereby given the sole control, authority, and jurisdiction over all licenses to hold boxing, sparring, or wrestling matches or exhibitions for prizes or purses or where an admission fee is received, and over all licenses to any and all persons who participate in ***the*** [~~such~~] boxing, sparring, or wrestling matches, or exhibitions.

Section 10. KRS 229.190 is amended to read as follows:

The ***commission may provide for hearing officers or impanel not less than three (3) of its members to conduct hearings. The commission or hearing officer or panel may*** [~~chairman shall have authority to~~] issue subpoenas for the attendance of witnesses and the production of documents [~~before the commission, and it may, by any member~~], administer oaths and affirmations, and [~~it may~~] examine witnesses in all matters pertaining to the administration of the affairs of the commission; and in case of disobedience of such subpoenas, any circuit judge, on application of the commission or of a commissioner, may compel obedience by proceedings for contempt as in the case of disobedience of a subpoena issued from the Circuit Court.

Section 11. KRS 229.200 is amended to read as follows:

(1) The commission may suspend, ***reprimand,*** [~~or~~] revoke, or refuse to renew or issue a license for the ***following reasons:*** [~~reason therein stated,~~] that the licensee or applicant has, in the judgment of the commission, been guilty of an act detrimental to the interests of boxing or wrestling generally or to the public interest, convenience, or necessity, including, but not by way of limitation, the violation of any of the provisions of this chapter or any rule or ***administrative*** regulation of the commission.

(2) [~~Without limiting the discretion of the commission as provided in this chapter,~~] The commission may suspend, ***reprimand,*** [~~or~~] revoke, [~~a license~~] or refuse to renew or issue a license, if it ***finds*** [~~shall find~~] that the applicant, or any person who is a partner, agent, employee, stockholder, or associate of the applicant, has been convicted of a crime in any jurisdiction, or is associating or consorting with any person who has or persons who have been convicted of a crime or crimes in any jurisdiction or jurisdictions, or is consorting or associating with or has consorted or associated with bookmakers, gamblers, or persons of similar pursuits, or has himself engaged in similar pursuits, or is financially irresponsible, or has been guilty of or attempted any fraud or misrepresentation in connection with boxing or wrestling, or has violated or attempted to violate any law with respect to boxing or wrestling in any jurisdiction or any rule, regulation, or order of the commission, or shall have violated any rule of boxing or wrestling which shall have been approved or adopted by the commission, or has been guilty of or engaged in similar, related, or like practices.

(3) ***(a) The commission may suspend, reprimand, revoke, or refuse to renew or issue a license to protect the health of the licensee, upon notification of the suspension or revocation of the license of a licensee in another state or jurisdiction.***

(b) Upon proceedings for the revocation of any license under KRS 229.081, the commission may, in its discretion, order a suspension of the license. However, the licensee may have the alternative, subject to the approval of the commission, to pay in lieu of part or all of the days of any suspension period. A sum not in excess of five hundred dollars ($500) [~~Any licensee whose license has been suspended, may with the approval of the commission, elect to pay the commission a penalty which the commission may fix at an amount not in excess of five hundred dollars ($500). Such a payment, when received by the commission, shall have the effect of removing the suspension~~].

Section 12. KRS 229.220 is amended to read as follows:

(1) [~~The chairman shall be the chief executive officer of the commission and is authorized to take any action or exercise any power given by this chapter to the commission, except the adoption of rules and regulations, and except as otherwise restricted by this section provided, however,~~] Any person aggrieved by any ***final*** act or ***final*** decision of ***a commission member, hearing officer, or hearing panel*** [~~the chairman~~] may appeal to the full commission by filing written notice with the secretary of the commission within ten (10) days of the act or decision being appealed, and the grounds for appeal, and the address of the appellant. Unless waived by the commission, the notice ***shall*** [~~must~~] be accompanied by a list of the names and addresses of any persons the appellant wishes to have subpoenaed by the commission for the hearing and a list of any documents he desires to have produced.

(2) Upon receipt of the notice of appeal, a hearing shall be set for a date not less than ten (10) nor more than thirty (30) days from the filing of the notice, and written notice of the time and place of the hearing shall be mailed to the appellant not less than five (5) days in advance of such hearing. Upon the mutual agreement of the commission and appellant, an earlier or later date may be fixed, in which event no notice to appellant shall be required. All hearings shall be held at the office of the commission unless in the judgment of the commission it will be more expeditious to hold the hearing elsewhere within the Commonwealth.

(3) The full commission may approve, set aside, or modify the action or decision [~~of the chairman~~]. At least ***four (4)*** [~~three (3)~~] commissioners shall be required to conduct ***an appeal*** [~~a hearing~~] and the concurrence of a majority of those present at the hearing shall be necessary to render a decision. [~~The chairman may participate at the hearing, including, if he so elects, participation in the deliberations of the commission and the determination of its decision.~~] The commission shall furnish appellant with a statement of its findings of fact and the reasons for the decision reached. The findings of fact made by the commission shall, unless clearly arbitrary or capricious, be conclusive but any party aggrieved shall have the right of appeal as hereinbelow provided.

(4) Any party aggrieved by the ***final*** decision of the commission may appeal to the Franklin Circuit Court provided notice of appeal is filed with the commission within ten (10) days from the date of the decision and provided that, at the time of filing such notice the appellant shall deposit with the commission a sum sufficient to pay for the cost of taking and transcribing the proceedings before the commission, to be retained by the commission unless its decision is ultimately reversed, and provided that during such ten (10) day period the appellant shall post a bond with the clerk of the Franklin Circuit Court to secure the costs of the action in such sum as may be approved by the clerk, with good and solvent surety. Thereafter, the commission shall forthwith transmit the original record of all of the proceedings before the commission. Upon receipt of such record the clerk shall docket the appeal. No formal pleadings shall be required in such appeals. The case shall be set down by the court for a hearing, and after such hearing the court shall enter a judgment sustaining or setting aside the decision of the commission. Either party may appeal to the Court of Appeals from the judgment of the Circuit Court in accordance with the Rules of Civil Procedure.

Section 13. KRS 229.230 is amended to read as follows:

[~~No order or decision of the chairman shall be suspended pending a decision on an appeal to the full commission, and~~] No appeal from a ***final*** decision of the full commission shall suspend the effect of the decision, and no appeal from the judgment of the Franklin Circuit Court shall suspend the operation of ***the*** [~~said~~] judgment.

HB 682, AN ACT relating to horse racing.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 230.240 is amended to read as follows:

(1) In addition to the employees referred to in KRS 230.230, the commission may employ, at reasonable compensation, stewards, supervisors of mutuels, veterinarians, inspectors, accountants, guards, and other employees deemed by the commission to be essential at or in connection with any thoroughbred race meeting and to the best interest of racing. The commission, for the purpose of maintaining integrity and honesty in racing, shall ***promulgate*** [~~prescribe~~] by ***administrative regulation*** [~~rule~~] the powers and duties of the persons employed under this section and qualifications necessary to competently perform their duties. In addition, the commission shall be responsible for seeing that racing officials employed under the provisions of this section shall have adequate training to perform their duties in a competent manner.

(2) The commission shall promulgate [~~rules and~~] regulations for effectively preventing the use of improper devices, the administration of drugs or stimulants, or other improper acts for the purpose of affecting the speed or health of horses in races in which they are to participate.[~~, and~~] In connection therewith the commission ***shall*** [~~is authorized to acquire, operate and maintain, or to provide by~~] contract ***with the University of Kentucky*** for the maintenance and operation of[~~;~~] a testing laboratory and related facilities, for the purpose of saliva, urine, or other tests, ***to meet testing standards promulgated by administrative regulation of the commission*** and to purchase supplies and equipment for and in connection with ***the*** [~~such~~] laboratory or testing processes. The expense of the laboratory or other testing processes, ***including debt services when applicable*** [~~whether furnished by contract or otherwise~~], together with all supplies and equipment used in connection therewith, shall be paid ***with two-tenths of one percent (0.2%) of all money wagered on live racing and intertrack wagering, deducted from the commission imposed in Section 2 of this Act, and deposited in a trust and agency account and appropriated by the General Assembly to the University of Kentucky for the purpose of operating a nationally recognized testing laboratory. Quality standards promulgated by the commission shall not require the expenditure of funds in excess of the amount generated by the provisions of this section. The University of Kentucky shall submit an annual financial report to the commission prior to October 1 of each year. Any surplus funds at the end of a fiscal year, which may result from the operation of a nationally recognized testing laboratory, shall be utilized by the University of Kentucky for the benefit of the Kentucky racing and equine industry for purposes determined jointly by the commission and the University of Kentucky*** [~~by the various associations licensed under KRS 230.210 to 230.360 in such manner and in such proportions as the commission may by rule provide~~].

(3) The compensation of the employees referred to in this section shall be paid by the licensee conducting the thoroughbred race meeting in connection with which ***the*** [~~said~~] employees are utilized or employed. The salary of the secretary to the commission shall be prorated among and paid by the various associations licensed under KRS 230.210 to 230.360 in the manner as the commission may, by ***regulation*** [~~rule~~], provide. The employees referred to in this section shall be deemed employees of the commission, and [~~are~~] paid by the licensee or association for convenience only.

(4) Each person, as a condition precedent to the privilege of receiving a license under KRS 230.210 to 230.360 to conduct a thoroughbred race meeting, shall be deemed to have agreed that it will pay [~~such~~] expenses and compensation as provided in this section and as may be actually and reasonably incurred.

Section 2. KRS 138.515 is amended to read as follows:

(1) The commission, including the tax levied in KRS 138.510, deducted from the gross amount wagered by the person, corporation, or association which operates a race track under the jurisdiction of the Kentucky State Racing Commission at which betting is conducted through a pari-mutuel or other similar system, in races where the patron is required to select one (1) horse, and the breaks, which breaks shall be made and calculated to the dime, shall not be less than fifteen percent (15%) nor more than sixteen ***and one-half*** percent ***(16.5%)*** [~~(16%)~~] at the discretion of those tracks averaging over one million two hundred thousand dollars ($1,200,000) in on-track pari-mutuel handle per day of live racing conducted by the association. The commission at those tracks averaging one million two hundred thousand dollars ($1,200,000) or less in on-track pari-mutuel handle per day of live racing conducted by the association, at the discretion of ***the*** [~~such~~] track, shall not be less than sixteen and one-half percent (16.5%) nor more than ***eighteen percent (18%)*** [~~seventeen and one-half percent (17.5%)~~] in races where the patron is required to select one (1) horse, and the breaks, which breaks shall be made and calculated to the dime.

(2) The commission at those tracks averaging over one million two hundred thousand dollars ($1,200,000) in on track pari-mutuel handle per day of live racing conducted by the association, including the tax levied in KRS 138.510, deducted from the gross amount wagered by the person, corporation, or association which operates a race track under the jurisdiction of the Kentucky State Racing Commission at which betting is conducted through a pari-mutuel or other similar system shall not exceed nineteen ***and one-half*** percent ***19.5%)*** [~~(19%)~~] of the gross handle in races where the patron is required to select two (2) or more horses, and the breaks, which breaks shall be made and calculated to the dime. The commission, at those tracks averaging one million two hundred thousand dollars ($1,200,000) or less in on track pari-mutuel handle per day of live racing conducted by the association, including the tax levied in KRS 138.510, deducted from the gross amount

wagered by the person, corporation, or association which operates a race track under the jurisdiction of the Kentucky State Racing Commission at which betting is conducted through a pari-mutuel or other similar system shall not exceed twenty-two ***and one-half*** percent ***(22.5%)*** [~~(22%)~~] of the gross handle in races where the patron is required to select two (2) or more horses, and the breaks, which breaks shall be made and calculated to the dime.

(3) The minimum wager to be accepted by any licensed association shall be two dollars ($2). The minimum pay-off on a two dollar ($2) wager shall be two dollars and twenty cents ($2.20); [~~provided,~~] however, ***if there is*** [~~in the event of~~] a minus pool, the minimum pay-off for a two dollar ($2) wager shall be two dollars and ten cents ($2.10).

(4) The racing association averaging one million two hundred thousand dollars ($1,200,000) or less in on-track pari-mutuel handle per day of live racing conducted by the association shall pay to the backside improvement fund an amount equal to one-half of the one percent (0.5%) of its commissions derived from on-track pari-mutuel wagers.

Section 3. KRS 230.660 is amended to read as follows:

(1) In addition to the employees referred to in KRS 230.650, the commission may employ, at reasonable compensation, veterinarians, inspectors, accountants, guards, and other employees deemed by the commission to be essential at or in connection with any horse race meeting under the jurisdiction of the commission and to the best interest of standardbred, quarter horse, Appaloosa, and Arabian racing. The commission for the purpose of maintaining integrity and honesty in standardbred, quarter horse, Appaloosa, and Arabian racing shall prescribe by ***regulation*** [~~rule~~] the powers and duties of the persons employed under this section or performing duties rendering services to an association. The commission shall promulgate ***administrative*** [~~rules and~~] regulations for effectively preventing the use of improper devices, the administration of drugs or stimulants, or other improper acts for the purpose of affecting the speed or health of horses in races in which they are to participate;[~~,~~] and in connection therewith, the commission ***shall*** [~~is authorized to acquire, operate and maintain, or to provide by~~] contract ***with the University of Kentucky*** for the maintenance and operation of[~~,~~] a testing laboratory and related facilities, for the purpose of saliva, urine, or other tests, ***to meet testing standards promulgated by administrative regulation of the commission,*** and to purchase supplies and equipment for and in connection with ***the*** [~~such~~] laboratory or testing processes. The expense of the laboratory or other testing processes, ***including debt services when applicable,*** [~~whether furnished by contract or otherwise~~], together with all supplies and equipment used in connection therewith, shall be paid ***with two-tenths of one percent (0.2%) of all money wagered on live racing and intertrack wagering deducted from the commission imposed in KRS 230.750, and deposited in a trust and agency account and appropriated by the General Assembly to the University of Kentucky for the purpose of operating a nationally recognized testing laboratory. Quality standards promulgated by the commission shall not require the expenditure of funds in excess of the amount generated by the provisions of this section. The University of Kentucky shall submit an annual financial report to the commission prior to October 1 of each year. At the end of a fiscal year, any surplus funds which may result from the operation of a nationally recognized testing laboratory, will be utilized by the University of Kentucky for the benefit of the Kentucky racing and equine industry for purposes determined jointly by the commission and the University of Kentucky*** [~~by the various associations licensed under KRS 230.620 to 230.760 or by the commission from commission funds in such manner and in such proportions as the commission may by rule provide~~].

(2) The compensation of the employees referred to in this section shall be paid by the licensee directly or to the commission, as the commission shall direct the conducting of the race meeting in connection with which ***the*** [~~said~~] employees are utilized or employed. The salary of the secretary to the commission and costs of operation of the commission, including but not limited to, office rental, expenses, utilities, ***and*** commissioners' actual expenses, [~~etc.~~] shall be prorated among and paid by the various associations licensed under KRS 230.620 to 230.760 in the manner [~~as~~] the commission may, by ***regulation*** [~~rule~~], provide. The employees referred to in this section shall be deemed employees of the commission, and [~~are~~] paid by the licensee or association for convenience only.

(3) Each person, as a condition precedent to the privilege of receiving a license under KRS 230.620 to 230.760 to conduct standardbred, quarter horse, Appaloosa, or Arabian horse race meetings, shall be deemed to have agreed that it will pay [~~such~~] expenses and compensation as provided in this section.

Section 4. KRS 230.750 is amended to read as follows:

(1) The commission, including the tax levied in KRS 138.510, deducted from the gross amount wagered by the person, corporation or association which operates a horse track under the jurisdiction of the commission at which betting is conducted through a pari-mutuel or other similar system shall not exceed eighteen ***and one-half*** percent ***(18.5%)*** [~~(18%)~~] of the gross amount handled on straight wagering pools and twenty-five

and one-half percent ***(25.5%)*** [~~(25%)~~] of the gross amount handled on multiple wagering pools, plus the breaks, which shall be made and calculated to the dime. Multiple wagering pools shall include daily double, perfecta, double perfecta, quinella, double quinella, trifecta, and other types of exotic betting. Effective July 1, 1990, an amount equal to three percent (3%) of the total amount wagered and included in the commission of a host track shall be allocated by the host track in the following manner. Two percent (2%) shall be allocated to the host for capital improvements, promotions, including advertising, or purses, as the host track shall elect. Three-quarters of one percent (3/4 of 1%) shall be allocated to overnight purses. One-quarter of one percent (1/4 of 1%) shall be allocated to the Kentucky standardbred, quarterhorse, Appaloosa, and Arabian development fund. Such allocation shall be made after deduction from the commission of the pari-mutuel tax but prior to any other deduction, allocation or division of the commission.

(2) Each racing association licensed by the Kentucky Harness Racing Commission shall pay an amount equal to one-half of one percent (1/2 of 1%) of its commissions into a revolving fund to be known as the harness backside improvement fund, and created herein. The provisions of this subsection shall not, however, apply to any association which does not own its backside as of March 30, 1990. Moneys deposited to the fund shall be allocated back to racing associations in the same percentage paid in, for projects and programs to promote, enhance, and improve the condition of association backsides. The commission shall approve any backside improvement project financed in whole or in part by backside improvement funds.

Section 5. Notwithstanding KRS 446.260 or any other statute to the contrary, if KRS 138.515 is repealed and reenacted, in any form, during this 1992 Regular Session of the General Assembly, the amendments to that statute contained in Section 2 of this Act shall continue to have the force of law and shall be codified into the reenacted version of that statute as provided by KRS 7.136(3).

HB 730, AN ACT relating to the sale of business opportunities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 367.801 TO 367.819 IS CREATED TO READ AS FOLLOWS:

As used in Sections 2 to 20 of this Act, unless the context requires otherwise:

(1) "Promoter" means a person who offers or sells a business opportunity;

(2) "Initial payment" means amounts the purchaser pays to the promoter or any affiliate prior to the expiration of the sixth month following the date of a business opportunity agreement, excluding the bona fide wholesale price of inventory goods;

(3) "Business opportunity" means a plan, arrangement, agreement, or transaction, oral or written, between two (2) or more persons, by which:

(a) The promoter or any affiliate disposes of, or offers or attempts to dispose of goods or services to a purchaser, whether or not for resale, to enable the purchaser to begin a business;

(b) The promoter or any affiliate represents directly or indirectly to the purchaser any of the following;

1. That the promoter or any affiliate will reacquire the goods or services offered, or will reacquire goods produced, grown, or modified by the purchaser using or resulting from the goods or services supplied by or through the promoter of any affiliate;

2. That there is a market for the goods or services offered, or for goods produced, grown, or modified by the purchaser from the goods or services supplied by or through the promoter or any affiliate; or

3. That the promoter or any affiliate will provide, or will assist, directly or indirectly, the purchaser in finding locations or accounts for the use, operation, or placement of vending machines, racks, display cases, pay telephones, or currency or token operated amusement machines, or similar devices, on premises neither owned nor leased by the purchaser;

(c) The promoter or any affiliate represents directly or indirectly that the purchaser will derive income from the business that exceeds the price paid to the seller; and

(d) The purchaser pays, is obligated to pay, or agrees to pay an initial payment of five hundred dollars ($500) or more, but less than one hundred thousand dollars ($100,000), or agrees to purchase during the six (6) months following the date of the business opportunity agreement inventory at a cost of one thousand

dollars ($1,000) or more, but less than one hundred thousand dollars ($100,000), in connection with the business opportunity.

(4) For purposes of Sections 2 to 20 of this Act, the following shall not be "business opportunities":

(a) A franchise or a business opportunity as defined in the Federal Trade Commission's Trade Regulation Rule on Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures, and subject to that rule, as it may be amended;

(b) A security that is registered or qualified under KRS 292.313 or exempt from registration or qualification;

(c) A plan for delivery of newspapers of general circulation;

(d) A plan for the operation of a leased department within the premises of a general merchandise retailer who has conducted that business in this state for six (6) months prior to making the plan;

(e) A disposition of goods or services to a business that also sells other goods or services not supplied by or through the promoter or any affiliate, if the business does not use the goods or services supplied by the promoter or its affiliate with those supplied by third parties;

(f) A disposition of goods or services in connection with the sale or other transfer of one (1) or more ongoing businesses each of which has been open for and has actively conducted business at the same location for at least six (6) months;

(g) A disposition of goods or services if the seller or transferor has not made a similar disposition within twelve (12) months;

(h) A marketing plan in which a person licenses a federally registered trademark, if the licensor has a net worth of one million dollars ($1,000,000) or greater, or is eighty percent (80%) or more owned by another person who unconditionally guarantees performance by the licensor and whose net worth is one million dollars ($1,000,000) or greater. For the purposes of this subsection, net worth shall be determined according to the licensor's or guarantor's audited financial statements dated within the past thirteen (13) months;

(i) A transaction with a purchaser whose net worth is one million five hundred thousand dollars ($1,500,000) or greater; and

(j) The sale or bailment at its fair market value of demonstration, sample, or similar merchandise, or delivery of that merchandise subject to a bona fide security deposit not in excess of the reasonably anticipated replacement value of the goods furnished.

(5) "Division" means the Consumer Protection Division of the Attorney General's office.

Section 2. KRS 367.803 is amended to read as follows:

(1) The Attorney General may ***promulgate administrative regulations, in accordance with the provisions of KRS Chapter 13A, adding to or revoking any exemptions specified in subsection (4) of Section 1 of this Act*** [~~by regulation add distribution devices to the enumeration in KRS 367.801(6)~~]. In making ***the*** [~~a~~] determination [~~regarding a distribution device~~], the Attorney General shall consider the following:

(a) The amount of initial required consideration to be paid to the ***promoter or any affiliate*** [~~offeror~~] by the ***purchaser*** [~~consumer/investor~~];

(b) The earnings ***or potential earnings*** claims made by the ***promoter or any affiliate*** [~~offeror~~];

(c) The kind of assistance in establishing the business opportunity which the ***promoter or any affiliate*** [~~offeror~~] has represented will be provided to the ***purchaser*** [~~consumer/investor~~]; ***and***

(d) The assets which the ***promoter or any affiliate*** [~~offeror~~] owns within Kentucky and the length of time the ***promoter*** [~~offeror~~] has offered the business opportunity in Kentucky.

(2) After considering the factors enumerated in this section the Attorney General may ***promulgate administrative regulations in accordance with the provisions of KRS Chapter 13A*** [~~adopt a regulation~~] requiring the ***the promoter*** [~~offeror~~] of the business opportunity ***or any affiliate*** [~~employing the distribution device~~]

to comply with ***or be exempted from*** all of the provisions of ***Sections 1 to 20 of this Act*** [~~KRS 367.801 to 367.819~~] and 367.990***(13) and (14)***.

Section 3. KRS 367.805 is amended to read as follows:

(1) It ***shall be*** [~~is~~] unlawful for any person to engage in the sale of business opportunities unless prior to the offering the ***promoter*** [offeror] has registered with the division, [and] has furnished a bond pursuant to ***Section 16 of this Act*** [~~KRS 367.815(2)~~] and ***has*** provided ***all of*** the following:

(a) All trade names, assumed names, and all trade marks by which the ***promoter and any affiliate*** [~~offeror~~] or the prospective ***purchaser*** [~~consumer/investor~~] of the business opportunity will be doing business.

(b) The names, home addresses, and home telephone numbers of the ***promoter and any affiliate*** [~~persons and company~~] offering the business opportunity, and the ***promoter's and any affiliate's*** [~~company's~~] directors and chief executive officers, and the names, home addresses and home telephone numbers of all representatives selling business opportunities in Kentucky.

(c) A statement as to the length of time the ***promoter*** [~~person~~] and ***any affiliate*** [~~company~~] offering the business opportunity ***have*** [~~has~~] conducted a business of the type being offered both within and without Kentucky.

(d) A statement as to whether the ***promoter or any affiliate*** [~~person or company offering the business opportunity~~] or any of its directors or chief executive officers or sales representatives operating in Kentucky has been held liable in a civil action by final judgment for having engaged in unfair, false, misleading, or deceptive practices ***or has entered into any type of consent decree or assurance of voluntary compliance or any type of written agreement with any regulatory agency*** or has been convicted of or pleaded nolo contendere to a felony involving fraud, embezzlement, fraudulent conversion, or misappropriation of property during the most recent seven ***(7)***[-] year period, or has been declared ***insolvent*** [~~bankrupt~~] in any judicial proceeding, ***filed a petition in bankruptcy court or has received an order of discharge, non-discharge, or dismissal under the Federal Bankruptcy Act*** during the most recent seven ***(7)***[-] year period.

(e) A statement as to whether the ***promoter or any affiliate*** [~~person or the company~~] offering the business opportunity or ***any of their*** [~~its~~] officers, directors, or agents making the offering of the business opportunity has been a party to any legal cause of action brought by a purchaser of the business opportunity within the last seven ***(7)***[-] year period and, if so, the name and address of ***any*** [~~such~~] individual who has brought the legal action.

(f) A statement disclosing the names, addresses, and telephone numbers of all persons who have been sold a business opportunity by the ***promoter or any affiliate*** [~~offeror~~] within the last two ***(2)***[-] year period.

(g) A statement listing the names and addresses of any ***purchaser*** [~~consumer/investor~~] who has requested within the preceding three (3) years that the ***promoter*** [~~offeror~~] return his money.

(2) The ***promoter or any affiliate*** [~~offeror~~] shall immediately notify the division of any material change in information contained in the application for registration and shall make appropriate amendment of the disclosure statement.

[~~(3) The division shall furnish the attorney general with a copy of each registration disclosure form within one (1) week after registration is complete.~~]

SECTION 4. A NEW SECTION OF KRS 367.801 TO 367.819 IS CREATED TO READ AS FOLLOWS:

(1) A disclosure document shall be filed with the division which sets forth all material facts, circumstances, and risk factors relating to the business opportunity. The disclosure document shall include the audited financial statements of the promoter and any affiliate and a specimen of each contract proposed for use in connection with the business opportunity.

(2) The division may promulgate administrative regulations, in accordance with the provisions of KRS Chapter 13A, establishing specific standards for the form and content of disclosure documents, but shall accept as complying with this section, as to form, a disclosure document prepared in accordance with the requirements of the Federal Trade Commission Trade Regulation Rule on Franchising and Business Opportunity Ventures or a disclosure document prepared in accordance with a uniform disclosure format approved for use by five (5) or more states.

(3) The disclosure document shall disclose on its cover page in not less than ten (10) point bold type a statement substantially reproducing Section 7 of this Act.

SECTION 5. A NEW SECTION OF KRS 367.801 TO 367.819 IS CREATED TO READ AS FOLLOWS:

An application for registration shall be accompanied by a five hundred dollar ($500) initial registration fee. An application for renewal of registration shall be accompanied by a two hundred and fifty dollar ($250) annual renewal fee. An application to amend the registration renewal, or disclosure statement required by Section 3 of this Act shall be accompanied by a fifty dollar ($50) fee. All fees required by this section shall be credited to a trust or agency account for the administrative purposes of the Attorney General's Consumer Protection Division, as set forth in KRS 367.801 to 367.819 and KRS 367.990(13) and 367.990(14).

SECTION 6. A NEW SECTION OF 367.801 TO 367.819 IS CREATED TO READ AS FOLLOWS:

(1) If the Attorney General determines that an initial registration filing made by a promoter or any affiliate does not meet the requirements of Sections 2 to 17 of this Act, the Attorney General shall notify the promoter and any affiliate of this determination within thirty (30) calendar days of his receipt of the filing. Absent the Attorney General's notification, the new filing shall be deemed approved. Within thirty (30) calendar days after receipt of a notification that the requirements of Sections 2 to 17 of this Act are not satisfied, the promoter or any affiliate may request a hearing. The hearing shall be held within fourteen (14) calendar days of receipt of the request and a determination shall be rendered within five (5) business days after the hearing. Nothing in this subsection shall prohibit a promoter from submitting an amended filing upon receiving notice that his prior filing has not been accepted.

(2) (a) In addition to the procedures described in subsection (1) of this section the Attorney General may refuse to renew the registration or revoke or suspend the registration of a promoter under the provisions of this subsection whenever he finds that a promoter or its affiliate, or its agent, servant, or employee:

1. Has violated or is operating in violation of any of the provisions of Sections 1 to 17 of this Act or any related administrative regulations promulgated by the Attorney General in accordance with the provisions of KRS Chapter 13A;

2. Has refused or failed, or any of its principal officers has refused or failed, after notice, to produce any records, or to disclose any information required to be disclosed under Sections 2 to 17 of this Act, or by any administrative regulations promulgated by the Attorney General in accordance with the provisions of KRS Chapter 13A;

3. Has made a material false statement in an application, statement, or report required to be filed under Sections 2 to 17 of this Act or the application for registration is incomplete or contains a misleading statement or material omission; or

4. The order is necessary for the protection of a purchaser or prospective purchaser.

(b) Prior to the Attorney General's revocation, suspension, or refusal to renew a promoter's registration, he shall deliver to the promoter by mail a written notice containing the following information:

1. The Attorney General's intention to refuse renewal, revoke, or suspend the registration;

2. The grounds for the Attorney General's intended action; and

3. A date on which an administrative hearing will be held at the office of the Attorney General.

(c) The administrative hearing shall be scheduled for a date not less than fourteen (14) calendar days following delivery of the notice to the address of the promoter given in the registration statement. A failure or refusal to accept the notice shall not be grounds for continuing or otherwise challenging the hearing.

(3) (a) Any person who was a party to a hearing held pursuant to subsection (1) or (2) of this section, and who is aggrieved by the order, may seek judicial review in the Franklin Circuit Court within thirty (30) days after the order has been mailed or delivered to the promoter and any other parties to the hearing.

(b) Upon receiving the petition on appeal, the Attorney General shall forthwith prepare an official record certified by him which shall contain a copy of all proceedings and orders of the Attorney General appealed from and the transcript of testimony and evidence or summary record thereof. Within thirty (30) days after the petition is served upon him, the Attorney General shall file the official record with the court. Thereafter, the appeal shall proceed pursuant to the Kentucky Rules of Civil Procedure.

(c) The court shall hear the case upon the record as attested by the Attorney General and shall in all respects dispose of the appeal in a summary manner. No new or additional evidence shall be introduced in the Circuit Court except as to fraud or misconduct of some party engaged in the administration of this section and affecting the order appealed from. The court's review shall be limited to determining whether:

1. The Attorney General acted without or in excess of his powers;

2. Legal or procedural due process was afforded the appellant; and

3. If questions of fact are in issue, any substantial evidence supports the order appealed from.

(4) In addition to the procedures established in subsections (1) to (3) of this section, the Attorney General may bring a civil action directly in Franklin Circuit Court, or in the Circuit Court of any county in which a promoter or its affiliate is offering a business opportunity, seeking an order revoking, suspending, or denying renewal of a registration statement, for any of the grounds set forth in this section.

SECTION 7. A NEW SECTION OF KRS 367.801 TO 367.819 IS CREATED TO READ AS FOLLOWS:

(1) Registration under Sections 3 to 9 of this Act shall not constitute a finding by the division that a document filed is true, complete, and not misleading, nor that it is a statement that the division has passed upon the merits of, or recommended, endorsed, or approved, the business opportunity.

(2) It shall be violation of Sections 3 to 17 of this Act to make a representation inconsistent with subsection (1) of this section.

SECTION 8. A NEW SECTION OF KRS 367.801 TO 367.819 IS CREATED TO READ AS FOLLOWS:

(1) A registration shall expire one (1) year from its date unless earlier revoked or suspended by the division or withdrawn by the applicant.

(2) The promoter may apply for renewal of registration by filing with the division at least twenty (20) days prior to expiration of the registration an application for renewal in the form prescribed by the division, an updated copy of a disclosure document, the renewal fee prescribed by Section 5 of this Act, and other information or documents the division may require. If the division finds the application to be complete and the disclosure document to be in compliance with Section 4 of this Act, the division, subject to Section 6 of this Act, shall issue an order of renewal of the registration.

SECTION 9. A NEW SECTION OF KRS 367.801 TO 367.819 IS CREATED TO READ AS FOLLOWS:

An applicant shall promptly notify the division of a material change in information contained in the applicant's current disclosure document or most recent application to the division. Notification shall be by an application to amend the disclosure document or the application for registration or renewal, accompanied by the filing fee prescribed in Section 5 of this Act.

Section 10. KRS 367.809 is amended to read as follows:

(1) The division, after ascertaining that the applicant has complied with ***Sections 3 to 9 of this Act*** [~~KRS 367.805~~], shall issue a registration number.

(2) It shall be unlawful for the registrant to fail to include the registration number in any advertising.

Section 11. KRS 367.811 is amended to read as follows:

It shall be unlawful for any ***promoter or any affiliate*** [~~offeror~~] to make any oral or written representation, actual or hypothetical, regarding the business opportunity's potential sales, income, gross or net profit unless such sales, income, or profits are examples based upon the actual earnings made by existing purchasers of the business opportunity. If such actual or hypothetical earnings examples are in excess of the average net earnings realized by all of the purchasers of the business opportunity, then there must be a full and complete disclosure of the average net earnings actually realized by all of these purchasers.

Section 12. KRS 367.813 is amended to read as follows:

(1) Prior to the solicitation of potential ***purchasers*** [~~consumer/investors~~] the ***promoter and any affiliate*** [~~offeror~~] shall furnish and display to the potential ***purchaser*** [~~consumer/investor~~] a copy of the material required to be furnished the division when registering pursuant to ***Sections 3 to 9 of this Act*** [~~KRS 367.805~~].

(2) *The disclosure document shall be provided to the prospective purchaser at the earliest of the following times;*

(a) The first personal meeting at which the sale or possible sale of the business opportunity is discussed;

(b) Ten (10) business days before the prospective purchaser of the business opportunity pays any consideration in connection with the business opportunity; or

(c) Ten (10) business days before the purchaser makes any binding commitment or signs an agreement relating to the business opportunity [~~When furnishing the information required by subsection (1) of this section, the offeror shall furnish the prospective consumer/investor with a notice in at least ten point bold-face type, stating that registration with the division does not directly or indirectly imply approval by the division or the Commonwealth of Kentucky of the business opportunity or any of the activities of representatives selling such business opportunities~~].

SECTION 13. A NEW SECTION OF KRS 367.801 TO 367.819 IS CREATED TO READ AS FOLLOWS:

(1) If the promoter or any affiliate states in connection with the offer or sale of a business opportunity that the business opportunity shall or may produce income from the business which exceeds the price paid to the promoter, or that the investment shall be secure or shall be free of substantial risk or any similar representation, or involves an undertaking to buy back items furnished to, or produced, grown, or modified by, the purchaser, then:

(a) The business opportunity agreement shall contain a specific statement of the buy-back or security arrangement and of the promoter's unqualified and enforceable obligation to the purchaser by which the purchaser may invoke the buy-back or security portion of the business opportunity agreement at any time before the first anniversary of the contract; and

(b) The promoter shall obtain a surety bond in conformity with Section 16 of this Act.

(2) If the purchaser invokes a buy-back or security provision, the promoter shall immediately return to the purchaser the full amount of the purchaser's initial payment, less the amount the purchaser actually earned from the operation of the business opportunity.

(3) The "amount the purchaser actually earned" means either the amount the purchaser actually obtained from the promoter or its affiliate, or the amount of money the purchaser received from customers for use of the purchaser's goods or services, less:

(a) Amounts the purchaser has paid the owner or manager of the location at which the purchaser's goods or services are placed; and

(b) Amounts the purchaser has paid to obtain other items needed in order to sell, make, produce, fabricate, grow, breed, modify, install, or develop the item that the purchaser intends to sell, lease, distribute, or otherwise dispose of pursuant to the business opportunity.

(4) The promoter or any affiliate shall not use a trademark, service mark, trade name, logotype, advertising, or other commercial symbol of any business which does not either own a controlling interest in the promoter and the affiliate, or affirmatively and unconditionally guarantee all representations made by the promoter and any affiliate in regard to the business opportunity, unless the nature of the promoter's or affiliate's relationship to the other business is set forth immediately adjacent to and in type size equal to or larger than that used to depict the commercial symbol of the other business. If the promoter is a member in good standing of a trade association, this section shall not prohibit the promoter from using the logo or mark of the trade association in advertisements and materials.

(5) The promoter or any affiliate shall not place or cause to be placed an advertisement for a business opportunity that does not include the actual business name, telephone number, and street address of the principal place of business of the promoter, and the name under which the business opportunity is operated.

SECTION 14. A NEW SECTION OF KRS 367.801 TO 367.819 IS CREATED TO READ AS FOLLOWS:

(1) Every agreement or arrangement for a business opportunity shall be in writing. Copies of the completed agreement and all other documents the promoter or any affiliate requires the purchaser to sign shall be given to the purchaser at the time they are signed.

(2) Each business opportunity agreement shall set forth in easily legible form all of the following:

(a) The terms and conditions of payment, including the required initial payment, additional payments, and any down payment required;

(b) A detailed description of the acts or services the promoter or any affiliate offers to perform for the purchaser;

(c) The promoter's and any affiliate's name, telephone number, principal business address, by street and number, and the name and address of its agents in the Commonwealth of Kentucky authorized to receive service of process;

(d) The business form of the promoter and any affiliate, whether corporate, partnership, or otherwise, and state of its incorporation or organization;

(e) The estimated delivery dates of each installment, whether the items are to be delivered to the purchaser or are to be placed by the promoter or any affiliate at locations owned or managed by persons other than the purchaser;

(f) If applicable, the terms of the buy-back or security obligation of the promoter described under Section 13 of this Act;

(g) The name and address of each supplier of the items the promoter or any affiliate is to deliver to the purchaser.

(h) Conspicuous notice, in substantially the following form, that the purchaser has the following rights:

Cooling Off Period

You have thirty (30) business days in which you may cancel this contract for any reason.

To cancel, you must mail or deliver a written notice to:

____

____

(Seller's name and street address)

before ____________________ (last date to mail or deliver notice). If mailed, the notice must be postmarked by the above date. If you deliver the notice, it must be delivered by the end of the normal business day on the above date.

We must promptly refund your payments, and within five (5) business days after you receive your refund, you must allow us to pick up anything we provided to you under this contract.

Misleading Statements

If we or any affiliate misleads you by what we say, or if we violate the Kentucky business opportunities law, you may cancel this contract. To cancel, you must give written notice to us within one (1) year of the date of the contract.

If you cancel under this provision, you are entitled to a prompt refund of all amounts you have paid, less the value of items we delivered that you do not return.

Non-Delivery

If we do not deliver items promised within thirty (30) days of the delivery date in your contract (except for reasons beyond our control), you may cancel this contract and receive an immediate refund of amounts paid, less the value of items you do not return.

(9) The promoter or any affiliate shall not take a negotiable instrument as evidence of the purchaser's obligation unless the instrument on its face abrogates the holder in due course status for its holder.

(10) The payment schedule in the agreement shall not require payment of more than twenty percent (20%) of the initial payment before delivery to the purchaser of the items to be supplied by the promoter or its affiliate, unless sums in excess of the twenty percent (20%) are placed in escrow until the purchaser advises the escrow agent in writing of the delivery of the items, or until the promoter presents the escrow

agent with a bill of lading that proves timely delivery of the items. The purchaser shall not unreasonably withhold notice of delivery.

(11) A successor or assignee of the promoter's or any affiliate's interest or rights in the agreement shall be subject to all equities, rights, and defenses of the purchaser against the promoter or any affiliate.

(12) Until the promoter or any affiliate has complied with this section, the buyer may cancel the purchaser of a business opportunity by notifying the promoter or any affiliate in any manner and by any means of his intention to cancel.

(13) Any waiver by the purchaser of a business opportunity of the rights provided in this section shall be null and void and shall not operate to relieve the promoter or any affiliate of any obligation placed upon him by Sections 2 to 17 of this Act.

SECTION 15. A NEW SECTION OF KRS 367.801 TO 367.819 IS CREATED TO READ AS FOLLOWS:

A promoter and any affiliate of a business opportunity offered or sold in the Commonwealth shall maintain a complete set of books, records, and accounts of its business opportunity sales. The promoter and any affiliate shall maintain documents relating to each transaction in a business opportunity for four (4) years after the date of the agreement. The promoter shall make the books and records of its sales in this state available to the division on demand at a location within this state.

SECTION 16. A NEW SECTION OF KRS 367.801 TO 367.819 IS CREATED TO READ AS FOLLOWS:

(1) A surety bond required by Sections 3 and 13 shall comply with the following:

(a) Surety for the bond shall be by a company authorized to write surety bonds in the Commonwealth;

(b) The promoter shall file with the division a copy of the bond;

(c) The bond shall be in favor of the division for the benefit of persons damaged by a violation of Sections 1 to 21 of this Act by the promoter or its affiliate;

(d) A person claiming against the bond for a violation of Sections 1 to 21 of this Act may sue the promoter and the surety trustee, but

1. The surety shall be liable only for actual damages and not punitive damages; and

2. The aggregate liability of the surety to all persons damaged by a promoter's violation shall not exceed the amount of the bond; and

(e) The bond shall be in an amount equal to the total amount of the initial payments under all business opportunity agreements the promoter or any affiliate has entered into in the Commonwealth during the previous year, or three hundred thousand dollars ($300,000), whichever is less, but in no case shall the amount be less than fifty thousand dollars ($50,000). The amount required shall be adjusted during the first and seventh months of each fiscal year of the promoter.

SECTION 17. A NEW SECTION OF KRS 367.801 TO 367.819 IS CREATED TO READ AS FOLLOWS:

(1) A purchaser shall have the rights described in Sections 12, 13, and 14 of this Act whether or not they are set forth in an agreement with the promoter or any affiliate.

(2) If a promoter or any affiliate uses, in connection with the offer or sale of a business opportunity, any unfair, false, misleading, or deceptive statement or fails to state facts necessary to make statements made not unfair, false, misleading, or deceptive, or fails to comply with an applicable requirement in Sections 2 to 17 of this Act, or if the agreement does not comply with the requirements of Sections 2 to 17 of this Act, then within one (1) year of the date of the agreement the purchaser may void the contract by written notice to the promoter.

(3) If a purchaser voids a contract under subsection (2) of this section, the purchaser shall be entitled to a prompt refund of all sums paid to the promoter or its affiliate, less the fair market value of items not returned. Upon receipt of the refund, the purchaser shall make available to the promoter the items delivered by the promoter.

(4) If a promoter or any affiliate fails to deliver the items promised within thirty (30) days of the delivery date stated in the agreement, unless the delay is due to causes beyond the reasonable control of the promoter or affiliate, then at any time prior to delivery or within thirty (30) days after delivery, the purchaser may void the agreement by written notice to the promoter. A purchaser who voids an agreement under this subsection shall be entitled to immediate refund of all amounts paid to the promoter or affiliate, less the fair market value of items delivered by the promoter or affiliate and not returned by the purchaser.

SECTION 18. A NEW SECTION OF KRS 367.801 TO 367.819 IS CREATED TO READ AS FOLLOWS:

A purchaser of a business opportunity who suffers any ascertainable loss of money or property, real or personal, by a promoter's or any affiliate's violation of Sections 2 to 17 of this Act, by the promoter's or any affiliate's breach of a business opportunity agreement, or by the promoter's or any affiliate's breach of an obligation arising from the offer or sale of the business opportunity, may sue for and recover damages caused thereby, rescission, or other appropriate relief. Judgment may include reasonable attorney's fees and costs incurred by the purchaser. Judgment may be entered for actual damages, but if the purchaser is able to return the items delivered by the promoter or any affiliate the award of damages shall not be less than the full amount of the initial payment, plus interest. If all of the items cannot be returned, the minimum award shall be no less than the amount of the initial payment less the fair market value of the items that are not returned. Punitive or exemplary damages shall be awarded in appropriate circumstances.

SECTION 19. A NEW SECTION OF KRS 367.801 TO 367.819 IS CREATED TO READ AS FOLLOWS:

(1) All of the remedies and powers granted to the Attorney General by KRS 367.190 to 367.300 and 367.990 with regard to violations of KRS 367.170 shall be granted to the Attorney General with equal force and effect with regard to violations of KRS 367.801 to 367.819.

(2) Nothing in this chapter shall limit the power of any agency of the Commonwealth of Kentucky to enforce criminal or civil provisions of any other chapter of the Kentucky Revised Statutes or the right of any person to bring civil actions granted by any other chapter of the Kentucky Revised Statutes and based upon conduct prohibited herein and nothing in this chapter shall limit the power of the Commonwealth of Kentucky to punish any person for any conduct which constitutes a crime by statute or at common law.

Section 20. KRS 367.990 is amended to read as follows:

(1) Any person who violates the terms of a temporary or permanent injunction issued under KRS 367.190 shall forfeit and pay to the Commonwealth a civil penalty of not more than twenty-five thousand dollars ($25,000) per violation. For the purposes of this section, the Circuit Court issuing an injunction shall retain jurisdiction, and the cause shall be continued, and in such cases the Attorney General acting in the name of the Commonwealth may petition for recovery of civil penalties.

(2) In any action brought under KRS 367.190, if the court finds that a person is willfully using or has willfully used a method, act, or practice declared unlawful by KRS 367.170, the Attorney General, upon petition to the court, may recover, on behalf of the Commonwealth, a civil penalty of not more than two thousand dollars ($2,000) per violation.

(3) Any person with actual notice that an investigation has begun or is about to begin pursuant to KRS 367.240 and 367.250 who intentionally conceals, alters, destroys, or falsifies documentary material is subject to a fine of not less than one hundred dollars ($100) nor more than five thousand dollars ($5,000).

(4) Any person who, in response to a subpoena or demand as provided in KRS 367.240 or 367.250, intentionally falsifies or withholds documents, records, or pertinent materials that are not privileged, shall be subject to a fine as provided in subsection (3) of this section.

(5) The Circuit Court of any county in which any plan described in KRS 367.350 is proposed, operated, or promoted may grant an injunction without bond, upon complaint filed by the Attorney General to enjoin the further operation thereof, and the Attorney General may ask for and the court may assess civil penalties against the defendant in an amount not to exceed the sum of five thousand dollars ($5,000) which shall be for the benefit of the Commonwealth of Kentucky.

(6) Any person, business, or corporation who knowingly violates the provisions of KRS 367.540 shall be fined not less than fifty dollars ($50.00) and not more than five hundred dollars ($500) for each offense. It shall be considered a separate offense each time a magazine is mailed into the state; but it shall be considered only one (1) offense for any quantity of the same issue of a magazine mailed into Kentucky.

(7) Any solicitor who violates the provisions of KRS 367.513 or 367.515 shall be fined not less than fifty dollars ($50.00) nor more than five hundred dollars ($500) or confined in the county jail for not less than one (1) month nor more than six (6) months, or both, for each offense.

(8) In addition to the penalties contained in this section, the Attorney General, upon petition to the court, may recover, on behalf of the Commonwealth a civil penalty of not more than the greater of five thousand dollars ($5,000) or two hundred dollars ($200) per day for each and every violation of KRS 367.175.

(9) Any person who shall willfully and intentionally violate any provision of KRS 367.976 to 367.985 shall be fined not more than five hundred dollars ($500) for each offense.

(10) (a) Any person who violates the terms of a temporary or permanent injunction issued under KRS 367.665 shall forfeit and pay to the Commonwealth a penalty of not more than five thousand dollars ($5,000) per violation. For the purposes of this section, the Circuit Court issuing an injunction shall retain jurisdiction, and the cause shall be continued, and in such cases the Attorney General acting in the name of the Commonwealth may petition for recovery of civil penalties; and

(b) The Attorney General may, upon petition to a court having jurisdiction under KRS 367.190, recover on behalf of the Commonwealth from any person found to have willfully committed an act declared unlawful by KRS 367.655 a penalty of not more than two thousand dollars ($2,000) per violation.

(11) Any dealer who fails to provide a statement under KRS 367.760 or a notice under KRS 367.765 shall be liable for a penalty of one hundred dollars ($100) per violation to be collected in the name of the Commonwealth upon action of the Attorney General.

(12) Any dealer or manufacturer who falsifies a statement under KRS 367.760 shall be liable for a penalty not exceeding one thousand dollars ($1,000) to be collected in the name of the Commonwealth upon action by the Attorney General.

(13) ***A person who knowingly violates a provision in Sections 1 to 17 of this Act or an administrative regulation related to those sections and promulgated in accordance with the provisions of KRS Chapter 13A, or who knowingly employs, directly or indirectly, a scheme or plan to deceive or defraud in connection with the offer or sale of a business opportunity, or who knowingly engages, directly or indirectly, in any act, practice, or course of conduct that operates or would operate as a fraud or deceit upon a person in connection with the offer or sale of a business opportunity, upon conviction*** [~~Any person who violates KRS 367.805, 367.809(2), 367.811, or 367.813(1)~~] shall be guilty of a Class C felony.

(14) Either the Attorney General or the appropriate Commonwealth's attorney shall have authority to prosecute violations of ***Sections 1 to 20 of this Act*** [~~KRS 367.801 to 367.819~~].

(15) A violation of KRS 367.474 to 367.478 and 367.482 is a Class C felony. Either the Attorney General or the appropriate Commonwealth's attorney shall have authority to prosecute violators of KRS 367.474 to 367.478 and 367.482.

(16) Any violation of KRS 367.310 shall be subject to a fine of not more than two hundred dollars ($200) for each offense.

(17) Any person, partnership, or corporation upon conviction of violation of the provisions of KRS 367.850 shall be fined not less than twenty-five dollars ($25) or more than five hundred dollars ($500) or confined in the county jail for not more than six (6) months, or both such fine and imprisonment.

(18) Any dealer in motor vehicles or any other person who fraudulently changes, sets back, disconnects, fails to connect, or causes to be changed, set back, or disconnected, the speedometer or odometer of any motor vehicle, to effect the sale of the motor vehicle shall be fined five thousand dollars ($5,000) per violation.

(19) Any person who negotiates a contract of membership on behalf of a club without having previously fulfilled the bonding requirement of KRS 367.403 shall be guilty of a Class D felony.

(20) Any person or corporation who operates or attempts to operate a health spa in violation of KRS 367.905(1) shall be guilty of a Class A misdemeanor.

(21) (a) Any person who violates KRS 367.832 shall be guilty of a Class C felony; and

(b) The appropriate Commonwealth's attorney shall have authority to prosecute felony violations of KRS 367.832.

(22) (a) Any person who violates the provisions of KRS 367.855 or 367.857 shall be fined not less than fifty dollars ($50) nor more than five hundred dollars ($500). Either the Attorney General or the appropriate county health department shall have authority to prosecute violators of KRS 367.855 or 367.857.

(b) The provisions of this subsection shall not apply to any retail establishment if the wholesaler, distributor, or processor fails to comply with the provisions of KRS 367.857.

Section 21. The following KRS sections are repealed:

367.801 Definitions.

367.807 Exemptions from registration.

367.815 Liability for false or misleading representations.

367.817 Restraining order.

367.819 Cancellation by purchaser.

HB 749, AN ACT relating to horse racing.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky Racing Commission is created as an independent agency of state government to regulate the conduct of horse racing and pari-mutuel wagering on horse racing within the Commonwealth of Kentucky. Any program or activity previously subject to the jurisdiction of the Kentucky State Racing Commission or the Kentucky Harness Racing Commission shall be subject to the jurisdiction of the Kentucky Racing Commission on the effective date of this Act.

(2) The Kentucky Racing Commission shall consist of eleven (11) commissioners appointed by the Governor. In making appointments, the Governor shall secure broad representation within the horse industry, to include appointment of seven (7) members broadly representative of the thoroughbred industry and three (3) members broadly representative of the standardbred, quarter horse, Appaloosa, or Arabian industries. Recommendations for appointments to the commission shall be sought from various industry groups, to include the Kentucky Thoroughbred Owners and Breeders, Inc., the Kentucky Division of the Horsemen's Benevolent and Protective Association, the Kentucky Harness Horsemen's Association, and other interested organizations. An additional commissioner shall be appointed by the Governor, with this appointee having no financial interest in the business or industry regulated. For initial appointments three (3) members shall be appointed for one (1) year terms, three (3) for two (2) year terms, three (3) for three (3) year terms, and two (2) for four (4) year terms. Thereafter, all commissioners appointed by the Governor shall serve a term of four (4) years or until their successors are appointed and duly qualified. Any vacancy on the commission shall be filled pursuant to the requirements and procedures for original appointments.

(3) Commissioners shall receive fifty dollars ($50) per day for each meeting attended and shall be reimbursed for all expenses paid or incurred in the discharge of official business. The Governor shall designate one (1) of the commissioners as chairman and the commission shall elect one (1) of its members as vice chairman. Before entering upon the discharge of their duties, each commissioner shall take the constitutional oath of office.

(4) The commission shall establish and maintain a general office for the transaction of its business and may in its discretion establish a branch office or offices. The commission may hold meetings at any of its offices or at any other place when the convenience of the commission requires. All meetings of the commission shall be open and public, and all persons shall be permitted to attend meetings. A majority of the commission shall constitute a quorum for the transaction of its business or exercise of any of its powers.

(5) The duly-promulgated administrative regulations of the Kentucky State Racing Commission and the Kentucky Harness Racing Commission, in effect as of the effective date of this Act, shall remain in effect as the initial regulations of the Kentucky Racing Commission until revoked or modified by the commission.

(6) All licenses approved by, and dates awarded by, the respective commissions shall remain in effect through December 31, 1992.

SECTION 2. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ AS FOLLOWS:

(1) Any track licensed by the commission to conduct horse racing and desiring to establish a simulcast facility shall apply for and may receive approval from the commission for each simulcast facility. Prior to considering an application for approval of a simulcast facility, the commission shall notify by regular mail, each state senator, state representative, county judge/executive, and mayor in the jurisdiction in which the proposed simulcast facility is located, at least ten (10) days in advance of the commission meeting at which the application is to be considered or voted upon. Consideration of an application shall be based on criteria contained in administrative regulations promulgated pursuant to KRS 230.300. Approval, if granted, shall be granted for a term of one (1) calendar year.

(2) A track or tracks may proceed with the establishment of a simulcast facility unless, within sixty (60) days of the date on which the commission approved the facility, the governing body of the local government jurisdiction in which the facility is to be located votes, by simple majority of those voting, to disapprove the establishment of the simulcast facility. For the purposes of this section, "governing body" means, in an incorporated area, the board of aldermen, city council or board of commissioners; in a county, the fiscal court; in an urban-county government, the urban-county council, or in a charter county, the legislative body created in accordance with KRS 67.825 to 67.875.

(3) The commission shall not approve the establishment of any simulcast facility within a radius of fifty (50) miles of a licensed track. The commission may approve the establishment of one (1) simulcast facility within a radius of greater than fifty (50) miles but less than seventy-five (75) miles of a licensed track, but the facility shall not be approved to operate without the prior written consent of the licensed track within whose seventy-five (75) radius the facility is located.

(4) The commission may promulgate administrative regulations as it deems appropriate to protect the integrity of pari-mutuel wagering at any simulcast facility.

(5) Licensed tracks conducting horse racing may enter into joint agreements to establish or operate one (1) or more simulcast facilities, on terms and conditions as the participating tracks may determine. Any agreements respecting these arrangements shall be filed with the commission, and applications for simulcast facilities shall be filed by and licenses may be issued to, these licensed tracks by the commission.

(6) A simulcast facility may be established and operated on property that is owned or leased and which is not used solely for the operation of a simulcast facility; provided however, that a simulcast facility may not be established on the premises of a lottery vendor.

(7) A simulcast facility shall not be subject to and shall not pay any excise tax imposed pursuant to KRS 138.510, any license tax imposed pursuant to KRS 137.170, or any admission tax imposed pursuant to KRS 138.480.

(8) One percent (1%) of all moneys wagered at a simulcast facility shall be dedicated for local economic development and shall be allocated as follows:

(a) If a simulcast facility is located in an incorporated area, seventy-five percent (75%) shall be allocated to the governing body of the city in which the facility is located, and twenty-five percent (25%) to the governing body of the county in which the facility is located.

(b) If a simulcast facility is located in an unincorporated area, all moneys shall be allocated to the governing body of the county or charter county in which the facility is located.

(9) (a) After the deduction of moneys under subsection (8), simulcast facility shall deduct a commission allowed pursuant to KRS 138.515 with respect to all wagers made at the simulcast facility. The commission, less moneys allocated in subsection (8) of this section, shall be split as follows:

1. Thirty percent (30%) shall be allocated to the host track;

2. Thirty percent (30%) to the purse program at the host track;

3. Six percent (6%) to be retained by the entity owning the simulcast facility for the purpose of application to expenses incurred in connection therewith; and

4. Thirty-four percent (34%) shall be allocated and deposited in the breeders' award fund described in Section 3 of this Act.

(b) The commission of a simulcast facility derived from interstate wagering shall be reduced by any amounts required to be paid by contract to the host track or track conducting the live race before it is divided as set forth in this section. No simulcast facility may receive any interstate simulcast except with the approval of the live Kentucky host track.

SECTION 3. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ AS FOLLOWS:

(1) There is created in the State Treasury and accounting system, for the use and benefit of the commission, a trust and revolving fund, to be known as the "Breeders' Award Fund," consisting of moneys allocated to the fund under the provisions of subsection (9) of Section 2 of this Act and subsection (3) of this section.

(2) The breeders' award fund shall be administered and maintained by the Breeders' Award Committee, a standing committee of the commission, comprised of five (5) commission members: the chairman of the commission, the vice chairman of the commission, and three (3) at large members of the commission appointed by the chairman for one (1) year terms. As soon as practicable after the close of each fiscal year, the Breeders' Award Committee shall disburse to thoroughbred breeders and stallion owners all moneys in the breeders' award fund on terms and based on criteria determined by the full commission and promulgated by administrative regulation. The amounts of all disbursements and the identities of all recipients of disbursements shall be reported to the full commission at the first regularly scheduled meeting succeeding the disbursements. Notwithstanding the foregoing, the committee shall allocate to the Kentucky standardbred, quarter horse, appaloosa and arabian development fund an amount equal to ten percent (10%) of moneys on deposit in the breeders' award fund prior to making any disbursement to individual breeders.

(3) Effective July 1, 1993, the breeders' award fund shall be guaranteed a balance of three million, seven hundred fifty thousand dollars ($3,750,000) per year. By July 15 of each year, the Revenue Cabinet shall have calculated the amount of revenue deposited in the fund during the previous fiscal year, and, if commissions from simulcast facilities are not sufficient to ensure the prescribed funding level, the difference shall be deposited in the breeders' award fund from a general fund appropriation to the commission subject to conditions set forth in the appropriations act. The Revenue Cabinet shall separately account for and report the trust and revolving fund receipts received under this provision.

Section 4. KRS 137.170 is amended to read as follows:

(1) Every person engaged in the business of conducting a race ***meeting*** [~~track~~] at which ***live horse*** races are run for stakes, purses or prizes, under the jurisdiction of the ***Kentucky*** [~~state~~] Racing Commission, shall pay a license tax to the state, as provided in subsection (2) of this section.

(2) Any [~~such~~] race track for any year commencing December 1 and ending the following November 30 for the days upon which races are actually conducted for any stake, purse or prize, shall pay a license tax based on the average daily mutuel handle for the preceding year as follows:

Average Daily Mutuel Handle	License Tax
0 - $250,000	$ 175
$250,001 [~~0~~] - $450,000	$ 500
$450,001 - $700,000	$1,000
$700,001 - $800,000	$1,500
$800,001 - $900,000	$2,000
$900,001 and above	$2,500

(3) As used in subsection (2) of this section the term "daily mutuel handle" shall be understood to mean the total gross amount of money bet or wagered by ***a race track's*** [~~its~~] patrons by means of pari-mutuel, combination, or French pools ***on live races conducted by the track.***

Section 5. KRS 137.190 is amended to read as follows:

The license tax imposed by KRS 137.170, the admission tax imposed by KRS 138.480 and the state ***taxes and contributions*** [~~tax~~] imposed by KRS 138.510 to 138.550 ***and Section 2 of this Act*** on pari-mutuel systems of betting shall be in lieu of all other license, excise, special or franchise taxes to the state or any county, city or other political subdivision. No county, city or other political subdivision may levy any license, income, excise, special or franchise tax on any such person or corporation engaged in the business of conducting a race track at which races are conducted for stakes, purses or prizes, ***or operating as a receiving track or simulcast facility,*** or on the operation or maintenance of any pari-mutuel machine or similar device, or on the money or amount of money handled by or through any pari-mutuel machine or similar device or on the sale of any merchandise during the conducting of races thereon by any such person or corporation.

Section 6. KRS 138.480 is amended to read as follows:

Each person entering the grounds or ***enclosure*** [~~inclosure~~] of any race track at which a race meeting is being conducted under the jurisdiction of the ***Kentucky*** [~~State~~] Racing Commission, for the purpose of attending the races or for any other purpose connected therewith, shall pay a tax of fifteen cents ($0.15) to the state, except as otherwise provided in this section. If tickets good for more than one (1) day are issued, the sum of fifteen cents ($0.15) shall be paid by each person using such ticket on each day that it is used. No admission tax shall be collected from any of the employees of the race track, or any of the owners or trainers of horses, or jockeys, or their employees. The admission tax provided for in this section shall be collected by the race track from each person on entering the race track or ***enclosure*** [~~inclosure~~] on a paid or free admission. The race track shall account to and pay to the state the money so collected.

Section 7. KRS 138.510 is amended to read as follows:

(1) [~~Through June 30, 1990, an excise tax is imposed on every person, corporation or association which operates a race track under the jurisdiction of the Kentucky State Racing Commission at which betting is conducted through a pari-mutuel or other similar system and which is conducting a race meeting. The tax shall be an amount equal to four and three-fourths percent (4.75%) of all money wagered during the year. A year as used herein shall begin at 12:01 a. m. July 1 and end at 12 midnight June 30. From July 15, 1982, until June 30, 1990, tracks with a daily average handle of less than one million two hundred thousand dollars ($1,200,000) shall receive a tax credit amounting to three percent (3%) of money wagered, with one and one-half percent (1.5%) to be allocated to purses, one percent (1%) to capital improvement and one-half percent (0.5%) for administration. From July 15, 1986 until June 30, 1990, tracks with a daily average handle of one million two hundred thousand dollars ($1,200,000) or more shall receive a tax credit amounting to one percent (1%) of money wagered, to be allocated to purses. All money from the tax credit allocated to purses shall be in addition to purse money allocated by contractual agreement or by regulation of the commission. All expenditures of tax credit money shall be reported to and approved by the commission in such form and frequency as the commission by regulation may require. Copies of all such reports shall also be sent to the Legislative Research Commission. An amount equal to three-quarters of one percent (3/4 of 1%) of all pari-mutuel wagering shall be deducted from the tax and deposited in the Kentucky thoroughbred development fund created and described in KRS 230.400.~~

~~(2) Through June 30, 1990, An excise tax is imposed on every person, corporation or association which operates a race track under the jurisdiction of the Kentucky Harness Racing Commission at which betting is conducted through a pari-mutuel or other similar system and which is conducting a race meeting. The tax shall be an amount equal to five percent (5%) of all money wagered during the year. A year as used~~ [herein] ~~shall begin at 12:01 a. m. July 1 and end at 12 midnight June 30. An amount equal to one percent (1%) of all pari-mutuel wagering on racing under the jurisdiction of the Kentucky Harness Racing Commission shall be deducted from the tax and set aside by the Revenue Cabinet and shall be deposited in the Kentucky standardbred, quarter horse, Appaloosa and Arabian development fund created and described in KRS 230.770. From July 15, 1982, until June 30, 1990, Associations conducting a race meet under the jurisdiction of the Kentucky Harness Racing Commission with a daily average handle of less than three hundred thousand dollars ($300,000) shall receive a tax credit of three percent (3%) of all money wagered, two percent (2%) to be allocated to the associations for capital improvements, promotions, including advertising, or purses, as the association shall elect and three-quarters of one percent (0.75%) to be allocated to overnight purses and one-quarter of one percent (0.25%) to be allocated to the Kentucky standardbred, quarter horse, Appaloosa and Arabian development fund. Said expenditures shall be reported to and approved by the Harness Racing Commission in such form and frequency as the commission by regulation may require. Copies of all such reports shall also be sent to the Legislative Research Commission.~~

~~(3) Effective July 1, 1990,~~] An excise tax is imposed on all tracks conducting pari-mutuel racing under the jurisdiction of the Kentucky [~~State~~] Racing Commission [~~and the Kentucky Harness Racing Commission~~]. For ***each track*** [~~tracks~~] with a daily average handle of one million two hundred thousand dollars ($1,200,000) or above, the tax shall be in the amount of three and one-half percent (3.5%) of all money wagered during the fiscal year. ***A fiscal year as used in this subsection and subsection (2) shall begin at 12:01 a.m. July 1 and end at 12 midnight June 30.*** For ***each track*** [~~tracks~~] with a daily average handle under one million two hundred thousand dollars ($1,200,000) the tax shall be an amount equal to one and one-half percent (1.5%) of all money wagered during the fiscal year. For the purposes of this subsection [~~and subsections (1) and~~

~~(2) of this section~~], the daily average handle shall be computed from the amount wagered only at the host track and shall not include money wagered at a receiving track***, at a simulcast facility,*** or on telephone account wagering. Money shall be deducted from the tax paid by host tracks and deposited to the respective development funds in the [~~same~~] amount ***of three quarters of one percent (0.75%) of the live racing handle for thoroughbred racing and one percent (1%) of the live racing handle for harness racing*** [~~and same manner as provided for in subsections (1) and (2) of this section, termination dates in these sections notwithstanding~~].

(2)[~~(4)~~] An excise tax is imposed on ***all licensed tracks conducting*** telephone account wagering ***or*** [~~and all tracks not conducting pari-mutuel racing but~~] participating as receiving tracks in intertrack wagering under the ***jurisdiction*** [~~jurisdictions~~] of the Kentucky [~~State~~] Racing Commission. [~~and the Kentucky Harness Racing Commission. From July 15, 1988, until June 30, 1990, the tax shall be in the amount of five percent (5%) of all money wagered during the fiscal year. After June 30, 1990,~~] The tax shall be in the amount of three percent (3%) of all money wagered by ***these*** [~~such~~] methods during the fiscal year. [~~After June 30, 1990,~~] An amount equal to two percent (2%) of the amount wagered and deducted from the tax imposed in this subsection shall be deposited in the thoroughbred development fund if the host track is ***conducting a thoroughbred race meeting*** [~~under the jurisdiction of the Kentucky State Racing Commission~~], or the Kentucky standardbred, quarter horse, Appaloosa and Arabian development fund, if the host track is ***conducting a harness race meeting*** [~~under the jurisdiction of the Kentucky Harness Racing Commission~~].

(3)[~~(5)~~] Two-tenths of one percent (0.2%) of the total amount wagered in Kentucky shall be deducted from the pari-mutuel tax levied in ***subsection*** [~~subsections~~] (1), [~~(2), and (3) of this section~~] and allocated to the equine industry program trust and revolving fund to be used for funding the equine industry program at the University of Louisville.

Section 8. KRS 138.515 is repealed, reenacted as a new section of KRS Chapter 230 and amended to read as follows:

(1) The commission, including the tax levied in KRS 138.510, deducted from the gross amount wagered by the [~~person, corporation or~~] association which operates a race track under the jurisdiction of the Kentucky [~~State~~] Racing Commission ***and conducts the thoroughbred racing*** at which betting is conducted through a pari-mutuel or other similar system, in races where the patron is required to select one (1) horse, and the breaks, which breaks shall be made and calculated to the dime, shall not be less than fifteen percent (15%) nor more than sixteen percent (16%) at the discretion of those tracks averaging over one million two hundred thousand dollars ($1,200,000) in on-track pari-mutuel handle per day of live racing conducted by the association. The commission at those tracks averaging one million two hundred thousand dollars ($1,200,000) or less in on-track pari-mutuel handle per day of live racing conducted by the association, at the discretion of such track, shall not be [~~less than sixteen and one-half percent (16.5%) nor~~] more than seventeen and one-half percent (17.5%) in races where the patron is required to select one (1) horse, and the breaks, which breaks shall be made and calculated to the dime.

(2) The commission at those tracks averaging over one million two hundred thousand dollars ($1,200,000) in on track pari-mutuel handle per day of live racing conducted by the association, including the tax levied in KRS 138.510, deducted from the gross amount wagered by the person, corporation or association which operates a race track under the jurisdiction of the Kentucky [~~State~~] Racing Commission ***and conducts thoroughbred racing*** at which betting is conducted through a pari-mutuel or other similar system shall not exceed nineteen percent (19%) of the gross handle in races where the patron is required to select two (2) or more horses, and the breaks, which breaks shall be made and calculated to the dime. The commission, at those tracks averaging one million two hundred thousand dollars ($1,200,000) or less in on track pari-mutuel handle per day of live racing conducted by the association, including the tax levied in KRS 138.510, deducted from the gross amount wagered by the [~~person, corporation or~~] association which operates a race track under the jurisdiction of the Kentucky [~~State~~] Racing Commission ***and conducts thoroughbred racing*** at which betting is conducted through a pari-mutuel or other similar system shall not exceed twenty-two percent (22%) of the gross handle in races where the patron is required to select two (2) or more horses, and the breaks, which breaks shall be made and calculated to the dime.

(3) The minimum wager to be accepted by any licensed association ***may*** [~~shall~~] be ***one dollar ($1)*** [~~two dollars ($2)~~]. The minimum pay-off on a ***one dollar ($1)*** [~~two dollar ($2)~~] wager shall be ***one dollar and ten cents ($1.10)*** [~~two dollars and twenty cents ($2.20)~~]; ***but*** [~~provided, however~~], in the event of a minus pool, the minimum pay-off for a ***one dollar ($1)*** [~~two dollar ($2)~~] wager shall be ***one dollar and five cents ($1.05)*** [~~two dollars and ten cents ($2.10)~~].

(4) ***Each*** [~~The racing~~] association ***conducting thoroughbred racing and*** averaging one million two hundred thousand dollars ($1,200,000) or less in on-track pari-mutuel handle per day of live racing conducted by the association shall pay to the backside improvement fund an amount equal to one-half of [~~the~~] one percent (0.5%) of its [~~commissions derived from~~] on-track pari-mutuel wagers.

Section 9. KRS 138.530 is amended to read as follows:

(1) The Revenue Cabinet shall enforce the provisions of and collect the tax and penalties imposed and other payments required by KRS 138.510 to 138.550, and in doing so it shall have the general powers and duties granted it in KRS Chapter 131 and KRS 135.050, including the power to enforce, by an action in the Franklin Circuit Court, the collection of the tax, penalties and other payments imposed or required by KRS 138.510 to 138.550.

(2) The remittance of the tax imposed by KRS 138.510 ***and the commission from simulcast facilities to the breeders' award fund*** shall be made ***weekly*** to the Revenue Cabinet ***no later than the fifth business day, excluding Saturday and Sunday,*** [~~the next business day~~] following ***the close of*** each ***week*** [~~day~~] of racing, during each race meeting and accompanied by [~~such~~] reports as prescribed by ***the*** [~~said~~] cabinet. All [~~such~~] funds received by the Revenue Cabinet shall be paid into the State Treasury and shall be credited to the general expenditure fund.

(3) The supervisor of pari-mutuel betting appointed by the Kentucky [~~State~~] Racing Commission shall ***weekly*** [~~daily~~], during each race meeting, report to the Revenue Cabinet the total amount bet or handled the preceding ***week*** [~~day~~] and the amount of tax due the state thereon, under the provisions of KRS 138.510 to 138.550.

(4) The supervisor of pari-mutuel betting appointed by the Kentucky [~~State~~] Racing Commission or his duly authorized representatives shall, at all reasonable times, have access to all books, records, issuing or vending machines, adding machines and all other pari-mutuel equipment for the purpose of examining and checking the same and ascertaining whether or not the proper amount or amounts due the state are being or have been paid.

(5) Every person, corporation, or association required to pay the tax imposed by KRS 138.510 shall keep its books and records so as to clearly show by a separate record the total amount of money contributed to every pari-mutuel pool, including daily double pools, if any.

Section 10. KRS 230.090 is amended to read as follows:

No official timer at any ***horse*** [~~trotting or running~~] race shall announce wilfully and falsely a slower or faster time than that actually accomplished by a horse[~~, when the result of that race is to constitute a record~~].

Section 11. KRS 230.210 is amended to read as follows:

As used in ***this chapter,*** [~~KRS 230.215 to 230.361~~] unless the context requires otherwise:

(1) "Association" means any person licensed by the Kentucky [~~state~~] Racing Commission under KRS 230.300 and engaged in the conduct of a recognized ***horse*** [~~thoroughbred~~] race meeting;

(2) "Commission" means the Kentucky [~~state~~] Racing Commission;

(3) "Commissioner" means a ***commissioner*** [~~member~~] of the Kentucky [~~state~~] Racing Commission;

(4) [~~"Secretary" means the secretary of the Kentucky state racing commission;~~

~~(5)~~] "Thoroughbred race or thoroughbred racing" ***means a*** [~~shall include that~~] form of horse racing in which each horse participating in ***the*** [~~such~~] race is a thoroughbred, (i.e., meeting the requirements of and registered with The Jockey Club of New York) and is mounted by a jockey;

(5) "Harness race" or "harness racing" means trotting and pacing races;

(6) "Appaloosa race or Appaloosa racing" means that form of horse racing in which each horse participating in ***the*** [~~such~~] a race is registered with the Appaloosa Horse Club of Moscow, Idaho, and is mounted by a jockey; [~~and~~]

(7) "***Horse*** [~~Thoroughbred~~] race meeting" means horse racing run [~~on the flat or over jumps~~] at an association licensed and regulated by the ***Kentucky*** [~~state~~] Racing Commission, and may include [~~both~~] thoroughbred ***and harness*** [~~racing and appaloosa~~] racing***;***

(8) "Quarter horse" means a horse that is registered with the American Quarter Horse Association of Amarillo, Texas;

(9) "Arabian" means a horse that is registered with the Arabian Horse Registry of Denver, Colorado;

(10) "Track" means any association duly-licensed by the Kentucky Racing Commission to conduct horse racing. "Track" shall include any facility or real property that is owned or purchased by a track within the same county but not contiguous to track premises, upon commission approval;

(11) "Simulcast facility" means any facility approved pursuant to the provisions of Section 2 of this Act to simulcast racing and conduct pari-mutuel wagering;

(12) "Simulcasting" means the telecast of live audio and visual signals of horse races for the purpose of pari-mutuel wagering;

(13) "Intertrack wagering" means pari-mutuel wagering on simulcast horse races from a host track by patrons at a receiving track;

(14) "Interstate wagering" means pari-mutuel wagering on simulcast horse races from a track located in another state or foreign country by patrons at a receiving track or simulcast facility;

(15) "Host track" means the track conducting racing and offering its racing for intertrack wagering, or, in the case of interstate wagering, means the Kentucky track conducting racing and offering simulcasts of races conducted in other states or foreign countries;

(16) "Receiving track" means a track where simulcasts are displayed for wagering purposes; provided that, a track which submits an application for intertrack wagering shall, in the commission's discretion, meet the regulatory criteria for granting an association license, and shall have a heated and air-conditioned facility which will seat a number of patrons at least equal to the average daily attendance for intertrack wagering on the requested breed in the county in which the track is located during the immediately preceding calendar year; and

(17) "Telephone account wagering" means a form of pari-mutuel wagering where an individual may deposit money in an account at a track and may place a wager by direct telephone call or by communication through other electronic media owned by the holder of the account to the track.

Section 12. KRS 230.215 is amended to read as follows:

(1) It is the policy of the Commonwealth of Kentucky, in furtherance of its responsibility to foster and to encourage legitimate occupations and industries in the Commonwealth and to promote and to conserve the public health, safety, and welfare, and it is hereby declared the intent of the Commonwealth to foster and to encourage the [~~thoroughbred~~] horse breeding industry within the Commonwealth and to encourage the improvement of the ***breeds*** [~~breed~~] of [~~thoroughbred~~] horses. Further, it is the policy and intent of the Commonwealth to foster and to encourage the business of legitimate ***horse*** [~~thoroughbred~~] racing with pari-mutuel wagering thereon in the Commonwealth on the highest possible plane. Further, it hereby is declared the policy and intent of the Commonwealth that all [~~thoroughbred~~] racing not licensed under ***this chapter*** [~~KRS 230.215 to 230.360 and Appaloosa racing not licensed under KRS 230.215 to 230.360 or 230.620 to 230.760~~] is a public nuisance and may be enjoined as such. Further, it is hereby declared the policy and intent of the Commonwealth that the conduct of ***horse*** [~~thoroughbred~~] racing [~~or Appaloosa racing at a thoroughbred race meeting~~], or the participation in any way in ***horse*** [~~thoroughbred~~] racing [~~or Appaloosa racing at thoroughbred race meetings~~], or the entrance to or presence where ***horse*** [~~thoroughbred~~] racing [~~and Appaloosa racing~~] is conducted, is a privilege and not a personal right; and that this privilege may be granted or denied by the commission or its duly approved representatives acting in its behalf.

(2) It is hereby declared the purpose and intent of ***this chapter*** [~~KRS 230.215 to 230.360~~] in the interest of the public health, safety, and welfare, to vest in the commission forceful control of ***horse*** [~~thoroughbred~~] racing [~~and Appaloosa racing at thoroughbred race meetings~~] in the Commonwealth with plenary power to ***promulgate administrative*** [~~prescribe rules and~~] regulations ***prescribing*** [~~and~~] conditions under which all legitimate ***horse*** [~~thoroughbred~~] racing [~~and Appaloosa racing at thoroughbred race meetings~~] and wagering thereon is conducted in the Commonwealth so as to encourage the improvement of the ***breeds*** [~~breed~~] of ***horses*** [~~thoroughbreds~~] in the Commonwealth, to regulate and maintain ***horse*** [~~thoroughbred~~] racing [~~and Appaloosa racing~~] at ***horse*** [~~thoroughbred~~] race meetings in the Commonwealth of the highest quality and free of any corrupt, incompetent, dishonest, or unprincipled ***horse*** [~~thoroughbred racing or Appaloosa~~] racing practices, and to regulate and maintain ***horse*** [~~thoroughbred~~] racing [~~and Appaloosa racing~~] at [~~thoroughbred~~] race meetings in the Commonwealth so as to dissipate any cloud of association with the undesirable and maintain the appearance as well as the fact of complete honesty and integrity of ***horse*** [~~thoroughbred~~] racing [~~and Appaloosa racing~~] in the Commonwealth. In addition to the general powers and duties vested in the commission by ***this chapter*** [~~KRS 230.215 to 230.360~~], it is the intent hereby to vest in the commission the power to eject

or exclude from association grounds or any part thereof any person, licensed or unlicensed, whose conduct or reputation is such that his presence on association grounds may, in the opinion of the commission, reflect on the honesty and integrity of ***horse*** [~~thoroughbred~~] racing or interfere with the orderly conduct of ***horse*** [~~thoroughbred~~] racing [~~or Appaloosa racing~~].

Section 13. KRS 230.218 is amended to read as follows:

(1) There is hereby established, under the general jurisdiction of the Kentucky [~~State~~] Racing Commission, a Backside Improvement Commission. This commission shall consist of four (4) members, three (3) of which shall be voting members and one (1) shall be a nonvoting member. The voting members shall be as follows: one (1) member appointed by the President Pro Tempore of the Kentucky Senate, one (1) member appointed by the Speaker of the Kentucky House of Representatives, and one (1) member appointed by the chairman of the Kentucky [~~State~~] Racing Commission. The nonvoting member shall be appointed by the Kentucky division of the Horsemen's Benevolent and Protective Association. The appointee of the chairman of the Kentucky [~~State~~] Racing Commission shall serve as chairman of the Backside Improvement Commission. The members of the commission shall serve without compensation, but shall be entitled to reimbursement for all expenses incurred in the discharge of official business.

(2) There is hereby created a trust and revolving fund for the Backside Improvement Commission, consisting of money allocated to the fund under the provisions of ***Section 8 of this Act*** [~~KRS 138.515~~], together with such other money as may be contributed to or allocated to the fund from all other sources. Money to the credit of the backside improvement fund at the end of each fiscal year shall not lapse but shall be carried forward in such fund to the succeeding fiscal year. The Backside Improvement Commission shall have the authority and may invest any and all funds received by the trust fund and interest earned by the investment of said funds in types of investments appropriate to the investment needs of the trust fund after having considered the financial return on authorized investment alternatives, the financial safety of investment alternatives and the impact of any authorized investments on the state's economy. The Backside Improvement Commission shall review the status of the trust fund investments quarterly and report its findings to the Finance and Administration Cabinet, the Kentucky [~~State~~] Racing Commission and the Legislative Research Commission.

(3) The Backside Improvement Commission shall employ [~~such~~] qualified personnel as may be required to assist the commission in carrying out the provisions of this section. ***These*** [~~Such~~] persons shall serve at the pleasure of the commission and compensation for [~~such~~] personnel shall be fixed by the commission. The compensation of [~~such~~] personnel and the necessary expenses incurred by the commission or by the committee in carrying out the provisions of this section shall be paid out of the backside improvement fund.

(4) The purpose of the fund shall be to improve the backside of racing associations averaging ***one million two hundred thousand dollars ($1,200,000)*** [~~nine hundred thousand dollars ($900,000)~~] or less pari-mutuel handle per racing day ***on live racing***. The Backside Improvement Commission shall use the backside improvement fund to promote, enhance, and improve the conditions of the backside of eligible racing associations. [~~Said~~] Conditions ***considered*** shall include but not be limited to the living and working quarters of backside employees.

(5) The Kentucky [~~State~~] Racing Commission shall ***promulgate administrative*** [~~adopt such rules and~~] regulations as may be necessary to carry out the provisions and purposes of this section.

Section 14. KRS 230.230 is amended to read as follows:

(1) The Governor shall appoint ***an executive director*** [~~a secretary~~] for the commission for a term of four (4) years [~~to run concurrently with commission appointments~~] and who may be removed in the same manner as a ***commissioner*** [~~member of the commission~~]. The ***executive director*** [~~secretary~~] shall possess the powers and perform the duties imposed upon him by ***this chapter*** [~~KRS 230.210 to 230.360~~], and such other duties as the commission may direct or prescribe. The ***executive director*** [~~secretary~~] shall ***cause to be kept*** [~~keep~~] a full record of all proceedings before the commission and shall preserve at its general office all books, maps, records, documents, licenses, and other papers of the commission. All records of the commission shall be open to inspection by the public during regular office hours.

(2) The commission may employ an assistant ***executive director*** [~~secretary~~] and stenographers, clerks, and other personnel as it may deem necessary to efficiently operate its general office or any branch thereof. The commission shall fix the compensation of ***all*** [~~such~~] employees. Any member of the commission or the ***executive director,*** [~~secretary thereof~~] or any employee referred to in this section shall be reimbursed for expenses paid or incurred in the discharge of official business when approved by the commission. The compensation of the employees referred to in this section, ***except for the executive director,*** together with reimbursement of expenses incurred by [~~such~~] employees, a member of the commission or the ***executive director*** [~~secretary thereof~~], shall be paid from commission funds.

Section 15. KRS 230.240 is amended to read as follows:

(1) In addition to the employees referred to in KRS 230.230, the commission may employ, at reasonable compensation, stewards, supervisors of mutuels, veterinarians, inspectors, accountants, guards, and other employees deemed by the commission to be essential at or in connection with any ***horse*** [~~thoroughbred~~] race meeting and to the best interest of racing. The commission for the purpose of maintaining integrity and honesty in racing shall prescribe by ***administrative regulation*** [~~rule~~] the powers and duties of the persons employed under this section and qualifications necessary to competently perform their duties. In addition, the commission shall be responsible for seeing that racing officials employed under the provisions of this section shall have adequate training to perform their duties in a competent manner.

(2) The commission shall promulgate ***administrative*** [~~rules and~~] regulations for effectively preventing the use of improper devices, the administration of drugs or stimulants or other improper acts for the purpose of affecting the speed or health of horses in races in which they are to participate, and in connection therewith the commission is authorized to acquire, operate and maintain, or to provide by contract for the maintenance and operation of, a testing laboratory and related facilities, for the purpose of saliva, urine, or other tests, and to purchase supplies and equipment for and in connection with such laboratory or testing processes. The expense of the laboratory or other testing processes, whether furnished by contract or otherwise, together with all supplies and equipment used in connection therewith, shall be paid by the various associations licensed under ***this chapter*** [~~KRS 230.210 to 230.360~~] in ***the*** [~~such~~] manner and in [~~such~~] proportions as the commission ***shall*** [~~may~~] by ***administrative regulation*** [~~rule~~] provide.

(3) The compensation of the employees referred to in this section shall be paid by the licensee conducting the ***horse*** [~~thoroughbred~~] race meeting in connection with which ***the*** [~~said~~] employees are utilized or employed. The salary of the ***executive director*** [~~secretary~~] to the commission shall be prorated among and paid by the various associations licensed under ***this chapter*** [~~KRS 230.210 to 230.360~~] in the manner as the commission ***shall*** [~~may~~], by ***administrative regulation*** [~~rule~~], provide. The employees referred to in this section shall be deemed employees of the commission, and are paid by the licensee or association for convenience only.

(4) Each person, as a condition precedent to the privilege of receiving a license under ***this chapter*** [~~KRS 230.210 to 230.360~~] to conduct a ***horse*** [~~thoroughbred~~] race meeting, shall be deemed to have agreed that it ***shall*** [~~will~~] pay [~~such~~] expenses and compensation as provided in this section and as may be actually and reasonably incurred.

Section 16. KRS 230.260 is amended to read as follows:

The commission, in the interest of breeding or the improvement of ***breeds*** [~~the breed~~] of [~~thoroughbred~~] horses, shall have all powers necessary and proper to carry out fully and effectually the provisions of ***this chapter*** [~~KRS 230.210 to 230.360~~] including, but without limitation, the following:

(1) The commission is vested with jurisdiction and supervision over all ***horse*** [~~thoroughbred~~] race meetings in this Commonwealth and over all associations and all persons on association grounds and may eject or exclude therefrom or any part thereof, any person, licensed or unlicensed, whose conduct or reputation is such that his presence on association grounds may, in the opinion of the commission, reflect on the honesty and integrity of ***horse*** [~~thoroughbred~~] racing [~~or Appaloosa racing~~] or interfere with the orderly conduct of ***horse*** [~~thoroughbred~~] racing or [~~Appaloosa~~] racing at ***horse*** [~~thoroughbred~~] race meetings; provided, however, no persons shall be excluded or ejected from association grounds solely on the ground of race, color, creed, national origin, ancestry, or sex;

(2) The commission, its representatives and employees, may visit, investigate and have free access to the office, track, facilities or other places of business of any licensee for the purpose of satisfying itself that ***this chapter*** [~~KRS 230.215 to 230.374~~] and its administrative regulations are strictly complied with;

(3) The commission shall have full authority to prescribe necessary and reasonable administrative regulations and conditions under which [~~thoroughbred~~] horse racing [~~and Appaloosa racing~~] at a ***horse*** [~~thoroughbred~~] race meeting shall be conducted in this state and to fix and regulate the minimum amount of purses, stakes or awards to be offered for the conduct of any ***horse*** [~~thoroughbred~~] race meeting;

(4) Applications for licenses shall be made in the form, in the manner and contain information as the commission may, by administrative regulation, require. Fees for all licenses issued under KRS 230.310 shall be prescribed by and paid to the commission; [~~and~~]

(5) The commission shall establish by ***administrative*** regulation minimum fees for jockeys to be effective in the absence of a contract between an employing owner or trainer and a jockey. The minimum fees shall be no less than those of July 1, 1985;

(6) Any of the foregoing administrative regulations*, to the extent they are promulgated, shall* [~~and conditions may~~] be ***promulgated*** [~~altered~~], amended, ***or*** repealed ***in conformity with KRS Chapter 13A*** [~~and published from time to time. All administrative regulations and conditions shall become effective thirty (30) days after the filing thereof with the legislative research commission unless the governor finds an emergency to exist in which event the same shall become effective immediately upon filing with the legislative research commission. The commission may, but shall not be required to, advertise any of its regulations either before or after filing~~];

(7) The commission may issue subpoenas for the attendance of witnesses before it and administer oaths to [~~such~~] witnesses whenever, in the judgment of the commission, it is necessary to do so for the effectual discharge of its duties;

(8) The commission shall have authority to compel any racing association licensed under ***this chapter*** [~~KRS 230.215 to 230.360~~] to file with the commission at the end of its fiscal year, a balance sheet, showing assets and liabilities, and an earnings statement, together with a list of its stockholders or other persons holding a beneficial interest in the association.

Section 17. KRS 230.265 is amended to read as follows:

(1) There is hereby created a panel, to be known as the Kentucky Equine Drug Research Council, to advise the commission on the conduct of equine drug research and testing commissioned by the ***Kentucky*** [~~state~~] Racing Commission. The council shall consist of nine (9) members appointed by the Governor. It is recommended that the Governor appoint one (1)veterinarian from a list of three (3) submitted by the Kentucky Association of Equine Veterinarians, one (1) horseman from a list of three (3) submitted by the Kentucky division of the Horsemen's Benevolent and Protective Association, one (1) pharmacologist from a list of three (3) submitted by the University of Kentucky, one (1) thoroughbred breeder from a list of three (3) submitted by the Kentucky Thoroughbred Owners and Breeders, Inc., one (1) legislator from a list of three (3) submitted by the Legislative Research Commission, one (1) representative of a licensed racing association chosen by the governor, one (1) member of the harness racing ***industry*** [~~commission~~] from a list of three (3) submitted by the chairman of the ***Kentucky*** [~~harness~~] Racing Commission, one (1) member from a list of three (3) submitted by the Kentucky [~~Division of the~~] Harness ***Horsemen's Association*** [~~Horsemen~~] International, and one (1) member of the ***Kentucky*** [~~state~~] Racing Commission, from a list of three (3) submitted by the chairman of the ***Kentucky*** [~~state~~] Racing Commission, to serve as chairman. The council shall meet at the call of the chairman, a majority of the council or at the request of the commission. Members shall serve at the pleasure of their respective sponsoring organizations and shall receive no compensation for serving.

(2) The Kentucky Equine Drug Research Council shall review equine drug research and testing research being conducted at the University of Kentucky or with state funds and shall review and report to the commission on drug research and testing research being conducted elsewhere. The council shall advise the commission and make recommendations for establishing an effective drug regulatory policy for Kentucky racing. In addition, the council shall report to the General Assembly any needed changes regarding the regulation of drugs in ***horse*** [~~thoroughbred~~] racing in the Commonwealth of Kentucky.

(3) The commission shall receive one-tenth of one percent (.1%) of the total amount wagered in Kentucky deducted from the pari-mutuel tax levied in KRS 138.510 to be used in financing drug research and testing research in Kentucky, which shall be in addition to any funds appropriated to the commission for such purposes in the executive budget.

Section 18. KRS 230.280 is amended to read as follows:

(1) No person shall hold or conduct any ***horse*** [~~thoroughbred~~] race meeting for any stake, purse, or reward within the commonwealth of Kentucky without securing the required license from the commission.

(2) In the absence of a valid contract, no licensee shall conduct any horse race meeting for any stake, purse, or reward within this Commonwealth unless the licensee pays, as purses or rewards to all horsemen participating in the race meeting, an amount of money which is equal to at least forty-nine and one-half percent (49.5%) of the licensee's commission and breakage on the total amount wagered on live racing conducted at the track during each fiscal year.

Section 19. KRS 230.290 is amended to read as follows:

All licenses granted under ***this chapter*** [~~KRS 230.210 to 230.360~~]:

(1) Shall be in writing;

(2) Shall be subject to all ***administrative*** [~~rules,~~] regulations and conditions as may from time to time be prescribed by the commission;

(3) Shall contain [~~such~~] conditions as may be considered necessary or desirable by the commission for purposes of ***this chapter*** [~~KRS 230.210 to 230.360~~]; and

(4) No license shall extend beyond the end of the calendar year for which it was issued, but the commission may renew any license and any [~~such~~] renewal shall not be construed to be a waiver or condonement of any violation which occurred prior to [~~such~~] renewal and shall not prevent subsequent proceedings against the licensee therefor.

Section 20. KRS 230.300 is amended to read as follows:

(1) Any person desiring to conduct ***horse*** [~~thoroughbred~~] racing [~~and Appaloosa racing~~] at a ***horse*** [~~thoroughbred~~] race meeting within the Commonwealth of Kentucky or to engage in simulcasting and intertrack wagering as a receiving track during any calendar year shall first apply to the commission for a license to do so. The application shall be filed at the commission's general office on or before June 1 with respect to applications to conduct live ***horse*** race meetings, and on or before October 1, with respect to intertrack wagering dates. The application shall specify the location of the track and the days on which racing or intertrack wagering, or both, is desired to be conducted or held and shall be in the form and contain such other information and data as the commission may, by ***administrative regulation*** [~~rule~~] require. [~~Nothing in KRS Chapter 230 shall be construed as requiring a track to obtain a license from more than one (1) commission.~~]

(2) The commission shall as soon as practicable, but in no event later than September 1 in any calendar year award dates for racing in the Commonwealth during the next year. ***In awarding dates, the commission shall consider and seek to preserve each track's usual and customary dates, as these dates are requested.*** Dates for the conduct of intertrack wagering shall be awarded as provided in KRS 230.377[~~(2)~~]. In the event scheduled racing is canceled by reason of flood, fire, or inclement weather, the commission may award after September 1 additional racing dates to make up for those dates canceled by [~~such~~] flood, fire, or inclement weather. The commission may issue ***a*** [~~such~~] license to conduct a ***horse*** [~~thoroughbred~~] race meeting to any association making the aforesaid application if the commission finds that the proposed conduct of racing by ***the*** [~~such~~] association would be in the best interest of the public health, safety, and welfare of the immediate community as well as to the Commonwealth, and if by reason of financial stability, track location, traffic flow, facilities for the public, facilities for racing participants and horses, character and reputation for honesty of all persons identified with the association, competence of proposed racing officials and association employees, absence of conflict with other race meetings in time and patronage area, sentiment of the community in which ***the*** [~~such~~] association proposes to conduct a race meeting, and capability to comply with the ***administrative*** [~~rules and~~] rulings of the commission, the licensing of ***the*** [~~such~~] association would serve to nurture, promote, develop, or improve the ***horse*** [~~thoroughbred~~] industry in the Commonwealth. As a condition precedent to the issuance of ***a*** [~~such~~] license, the commission may require a surety bond or other surety conditioned upon the payment of all taxes due the Commonwealth, together with the payment of operating expenses including purses and awards to owners of horses participating in races.

(3) Every license issued under ***this chapter*** [~~KRS 230.215 to 230.360~~] shall specify among other things the name of the person to whom issued, the address and location of the track where the ***horse*** [~~thoroughbred~~] race meeting to which it relates is to be held or conducted, and the days and hours of the day when the meeting will be permitted; provided, however, that no track which is granted overlapping dates for the conduct of a live race meeting with another ***horse*** [~~thoroughbred or harness~~] racing track within a fifty (50) mile radius shall be permitted to have a post time after 5:30 p.m., prevailing time for overlapping days between July 1 and September 15, unless agreed to in writing by the tracks affected.

(4) A license issued under this section is neither transferable nor assignable and shall not permit the conduct of a ***horse*** [~~thoroughbred~~] race meeting at any track not specified therein. However, if the track specified becomes unsuitable for [~~thoroughbred racing or Appaloosa~~] racing because of flood, fire, or other catastrophe, the commission may, upon application, authorize the meeting, or any remaining portion thereof, to be conducted at any other suitable track available for that purpose, provided that the owner of ***the*** [~~such~~] track willingly consents to the use thereof.

(5) ***Horse*** [~~Thoroughbred~~] racing dates may be awarded and licenses issued authorizing ***horse*** [~~thoroughbred~~] racing [~~and Appaloosa racing at a thoroughbred race meeting~~] on any day of the year. ***Horse*** [~~Thoroughbred~~] racing [~~or Appaloosa racing at thoroughbred race meetings~~] shall be held or conducted only between sunrise and midnight.

(6) The commission may at any time require the removal of any official or employee of any association in those instances where it has reason to believe that the official or employee has been guilty of any dishonest

practice in connection with ***horse*** [~~thoroughbred~~] racing [~~or Appaloosa racing at a thoroughbred race meeting~~] or has failed to comply with any condition of his license or has violated any law or any ***administrative*** [~~rule or~~] regulation of this commission.

(7) Every ***horse*** [~~thoroughbred~~] race not licensed under this section [~~or Appaloosa race not licensed by this section or KRS 230.620 to 230.760~~] is hereby declared to be a public nuisance and the commission may obtain an injunction against the same in the Circuit Court of the county where the unlicensed race is proposed to take place.

Section 21. KRS 230.310 is amended to read as follows:

Every person not required to be licensed under KRS 230.300 who desires to participate in ***horse*** [~~thoroughbred~~] racing [~~or Appaloosa racing at a thoroughbred race meeting~~] in the Commonwealth as a horse owner, trainer, jockey, apprentice jockey, agent, stable employee, racing official, association employee, or employee of a person or concern contracting with the association to provide a service or commodity and which requires their presence on association grounds during a race meeting, or veterinarian, farrier, horse dentist, or supplier of food, tack, medication, or horse feed, shall first apply to the commission for a license to participate in ***the*** [~~such~~] activity on association grounds during a race meeting. No person required to be licensed by this section may participate in any activity required to be licensed on association grounds during a race meeting without a valid license therefor. An applicant for a license shall submit to the commission fingerprints as may be required and [~~such~~] other information [~~as may be~~] necessary and reasonable for processing a license application. The commission is authorized to exchange fingerprint data with the Kentucky state police and the Federal Bureau of Investigation in order to conduct a criminal history background check of an applicant. The commission may issue a license if it finds that the financial responsibility, age, experience, reputation, competence, and general fitness of the applicant to perform the activity permitted by a license, are consistent with the best interest of racing and the maintenance of the honesty, integrity, and high quality thereof. ***A*** [~~Such~~] license shall be issued for the calendar year in which it is issued and may be renewed by the commission. The license shall be valid at all ***horse*** [~~thoroughbred~~] race meetings in the Commonwealth during the period for which it is issued unless suspended or revoked under the ***administrative*** [~~rules and~~] regulations ***promulgated*** [~~prescribed~~] by the commission under this chapter. ***With respect to horse owners and trainers, the commission shall promulgate administrative regulations to facilitate and promote uniform, reciprocal licensing with other states.***

Section 22. KRS 230.320 is amended to read as follows:

(1) Every license granted under ***this chapter*** [~~KRS 230.210 to 230.360~~] is subject to revocation or suspension by the commission in any case where it has reason to believe that any provision of ***this chapter, administrative*** [~~KRS 230.210 to 230.374 or rule,~~] regulation, or condition of the commission affecting it has not been complied with or has been broken or violated. The commission in the interest of honesty and integrity of [~~thoroughbred~~] horse racing [~~and Appaloosa horse racing~~] may ***promulgate*** [~~prescribe~~] administrative regulations under which any license may be denied, suspended, or revoked.

(2) Any person alleged to have committed a violation under subsection (1) of this section may request a stay of imposition of the stewards' sanction. Pending appeal, a hearing on ***the*** [~~such~~] request for stay shall be held within forty-eight (48) hours of the receipt of the request for a stay by the commission. ***If*** [~~In the event~~] the commission is not able to hold a hearing within forty-eight (48) hours, the stay shall be automatically granted. It shall be the policy of the commission to grant stays, unless:

(a) In any case where a licensee is alleged to have committed a flagrant violation of the prescribed administrative regulations of racing which presents a clear and present danger to the immediate integrity of racing;[~~,~~] and

(b) Wherein it is impossible for the commission to secure necessary scientific evidence or indispensable witnesses within forty-eight (48) hours, then the commission or its designated hearing officer may refuse a request for the stay of any penalty imposed, as long as a hearing is held no later than thirty (30) days from the initial stewards' determination of a violation.

(3) If any license is denied, suspended, or revoked the commission shall state publicly its reasons for the suspension or revocation and shall cause an entry of ***the*** [~~such~~] reasons to be made on its record book. The action of the commission in denying, suspending, or revoking any license issued under ***this chapter*** [~~KRS 230.210 to 230.360~~] is final except that such action is subject to review by any court of competent jurisdiction. The action of the commission shall remain in full force and effect until reversed or modified by a valid order of ***the*** [~~such~~] court.

Section 23. KRS 230.355 is amended to read as follows:

(1) Any hearing authorized or required by ***this chapter*** [~~KRS 230.210 to 230.360~~] may be conducted by the commission, or may be conducted by a hearing officer appointed by the commission to serve in its place. [~~Such~~] A hearing shall be conducted in the name of the commission at any time or place designated by the chairman. The hearing officer may, in receiving evidence on behalf of the commission, make [~~such~~] rulings affecting the competency, relevancy, and materiality of evidence to be presented and upon motions presented during the taking of evidence as will expedite the preparation of the case. The commission may require the entire record to be certified to it for initial decision, and the hearing officer shall submit written findings of fact, conclusions of law and recommendations which shall be incorporated in and become a part of the record. In the absence of a requirement by the commission that a record be certified to it for initial decision, the hearing officer shall render a decision, and in the absence of either an appeal to the commission, or a review upon motion of the commission, the hearing officer's decision shall become the decision of the commission.

(2) A hearing officer may be a full-time employee, serve by contract, or be paid upon a per diem basis in the discretion of the commission.

Section 24. KRS 230.360 is amended to read as follows:

[~~(1) KRS 230.215 to 230.360 are not applicable to trotting or pacing meets or races conducted in this state nor to Appaloosa racing, quarter horse racing and Arabian racing licensed under KRS 230.620 to 230.760.~~

~~(2)~~] The provisions of ***this chapter*** [~~KRS 230.215 to 230.360~~] are intended to be statewide and exclusive in their effect and no city, county, or other political subdivision of state government shall have the power or authority to make or enforce any local laws, ordinances, or regulations on the subject of ***horse*** [~~thoroughbred~~] race meetings. Any person licensed under KRS 230.300 shall continue to pay, or be responsible for the payment of, all state taxes presently imposed by law, including but without limitation, license taxes imposed under KRS 137.170 to 137.190, and KRS 137.990 together with admission taxes imposed by KRS 138.480, and the pari-mutuel taxes imposed by KRS 138.510 to 138.550, and all state, as well as local, ad valorem taxes; provided, however, no tax shall be imposed by the state or any subdivision thereof upon, or measured by, that portion of the excise tax imposed upon pari-mutuel betting at running and trotting horse race tracks which is collected and retained by the operators thereof under the provisions of KRS 138.510 to 138.550, both inclusive.

Section 25. KRS 230.361 is amended to read as follows:

(1) The commission shall ***promulgate administrative regulations*** [~~adopt rules~~] governing and regulating mutuel wagering on ***horse*** [~~thoroughbred~~] races [~~and Appaloosa races at a thoroughbred race meeting~~] under what is known as the pari-mutuel system of wagering. Such wagering shall be conducted only by a person licensed under ***this chapter*** [~~KRS 230.215 to 230.360~~] to conduct a [~~thoroughbred~~] race meeting and only upon the licensed premises. The pari-mutuel system of wagering shall be operated only by a totalizator or other mechanical equipment approved by the commission. The commission shall not require any particular make of equipment.

(2) In no event shall the operation of a pari-mutuel system for betting where authorized by law constitute grounds for the revocation or suspension of any license issued and held under KRS 230.350.

(3) All reported but unclaimed pari-mutuel winning tickets held in this state by any person or association operating a pari-mutuel or similar system of betting at ***horse*** [~~thoroughbred~~] race meetings shall be presumed abandoned if not claimed by the person entitled thereto within two (2) years from the time the ticket became payable.

(4) The commission may issue a license to conduct pari-mutuel wagering on steeple chases or other racing over jumps; provided that all proceeds from such wagering, after expenses are deducted, be used for charitable purposes. If the dates requested for such a license have been granted to a track within a forty (40) mile radius of the race site, the commission may not issue a license until it has received written approval from the affected track. Pari-mutuel wagering licensed and approved under this subsection shall be limited to four (4) days per year. All racing and wagering authorized by this subsection shall be conducted in accordance with applicable administrative regulations of the commission.

Section 26. KRS 230.370 is amended to read as follows:

The commission may promulgate any reasonable and necessary ***administrative regulation*** [~~rules~~] for the enforcement of these provisions and hearings held before it.

Section 27. KRS 230.374 is amended to read as follows:

All sums reported and paid to the commission under the provisions of KRS 230.361 to 230.373***, with the exception of funds paid under KRS 230.398,*** shall be paid by the commission to the Kentucky Racing Health and Welfare Fund, Inc., a nonprofit charitable corporation, organized for the benefit, aid, assistance, and relief of owners, trainers, jockeys, valets, exercise boys, grooms, stable attendants, pari-mutuel clerks, and other racing personnel employed in connection with racing, and their wives and children, who can demonstrate their need for financial assistance connected with death, illness, or off-the-job injury and are not otherwise covered by union health and welfare plans, workers' compensation, social security, public welfare, or any type of health, medical, death, or accident insurance. ***These*** [~~Said~~] sums shall be paid on or before December 31 in each year, provided that no payments shall be made by the commission to the Kentucky Racing Health and Welfare Fund, Inc., unless the commission and the Auditor of Public Accounts are satisfied that the fund is in all respects being operated for the charitable and benevolent purposes as set forth above and that no part of the funds paid to the fund by the commission or any net earnings of the fund inure to the benefit of any private individual, director, officer, or member of the fund or any of the persons who turned over sums to the commission representing unclaimed pari-mutuel tickets.

Section 28. KRS 230.377 is amended to read as follows:

(1) Other provisions of the Kentucky Revised Statutes notwithstanding, a track may apply to ***the*** [~~its respective~~] commission [~~of jurisdiction~~] for simulcasting and intertrack wagering dates. Applications shall be submitted in accordance with KRS 230.300 [~~and 230.690~~]. ***No association shall be approved to participate in intertrack wagering as a receiving track unless it was duly licensed as a racing association as of July 15, 1992. No association shall be permitted to conduct intertrack wagering in a county other than the county in which they were licensed to conduct live racing as of July 15, 1992.***

(2) On or before November 1 of each year, the [~~Kentucky State Racing~~] commission [~~and the Kentucky Harness Racing Commission~~] shall meet [~~in joint session~~] and award [~~simulcasting and~~] intertrack wagering dates ***to all tracks*** for the entire succeeding calendar year.[~~, including dates for which a track has exercised its right of first refusal as follows: Except as provided in subsection (5) of this section,~~] In counties containing more than one (1) track, ***intertrack wagering dates shall be awarded as follows:***

(a) A receiving track of the same breed as the host track's breed [~~each track~~] shall have the right [~~of first refusal~~] to receive***, on an exclusive basis,*** [~~at least~~] sixty percent (60%) of the available intertrack wagering days, which shall not include the days in subsection (4) of this section, [~~of host tracks of the same breed as the receiving track~~] if the receiving track was licensed to conduct racing of that breed on or before January 1, 1990***; and***

(b) A receiving track of a different breed than the breed of the host track shall receive on an exclusive basis the remaining forty percent (40%) of the intertrack wagering dates not awarded by the commission under subsection (2)(a) of this section, and exclusive of days contained in subsection (4) of this section, if the receiving track was licensed to conduct racing of a different breed on or before January 1, 1990. Any unused intertrack wagering days or any intertrack wagering days not requested by and awarded to a receiving track of a different breed than the breed of the host track, shall be awarded to the receiving track of the same breed as the breed of the host track.

(3) Except in extraordinary circumstances, such as the need to accommodate a receiving track's sales activities or special events, intertrack wagering dates shall be awarded in weekly increments. The commission shall approve no more than nine (9) tracks for participation in intertrack wagering [~~Each track shall request the intertrack wagering dates which it desires in its application for intertrack wagering dates. The commissions shall approve no more than nine (9) tracks for participation in intertrack wagering. Each commission shall have one (1) vote. Each commission shall poll its members and a simple majority of members present and voting shall determine the vote of each commission. In the event a decision cannot be reached as to the balance of dates to be awarded, the Governor shall appoint an impartial arbitrator to resolve the impasse.~~

~~(3) For the balance of calendar year 1990 after March 30, 1990, the commissions shall award simulcasting and intertrack wagering dates in the following manner: tracks shall make application for 1990 dates within two (2) weeks of March 30, 1990. Within two (2) weeks following the application deadline, the commissions shall award dates. Dates awarded for 1990 shall not, however, abridge any contractual agreements entered into prior to March 30, 1990~~].

(4) A track may by ***administrative*** regulation be required to simulcast its races to one (1) or more receiving tracks approved for simulcasting and intertrack wagering, as a prerequisite for the issuance of a license pursuant to KRS 230.300 [~~and 230.690~~], provided that:

(a) Each track shall be permitted to exempt one (1) day of racing from simulcasting ***to both receiving tracks and simulcast facilities***, at its discretion;

(b) Tracks in a county containing a city of the first class and tracks in an urban-county government shall not be required to simulcast to one another or to any other facility in those counties. This provision shall not be construed as requiring tracks within the same county to simulcast to one another; and

(c) In the absence of a contract between a host track and a receiving track, the commission shall be split as provided for in KRS 230.378(3).

[~~(5) In a county with a population of less than one hundred fifty thousand (150,000) people and containing more than one (1) track, the track which conducts racing of the same breed as a host track shall have an exclusive right of first refusal for the simulcasts of such races. If the track conducting racing of the same breed does not receive the simulcasts, the other track in the county may do so and all tracks may receive the simulcasts if agreed to in writing by the tracks affected.~~]

(5)[~~(6)~~] A track may receive simulcasts ***and conduct interstate wagering on all thoroughbred horse races designated as graded stakes races by the Graded Stakes Committee of the Thoroughbred Owners and Breeders, Inc., or on all harness horse races with a purse in excess of seventy-five thousand dollars ($75,000) without further consents or approvals. A track may also receive simulcasts*** of special event races conducted in other states or foreign countries which are determined by the commission [~~of jurisdiction~~] to be of sufficient national or international significance or interest to warrant interstate wagering ***and if the simulcast of these races has been approved by the Kentucky Thoroughbred Owners and Breeders, Inc., the Kentucky Division of the Horseman's Benevolent and Protective Association, for thoroughbred races, and the Kentucky Harness Horsemen's Association for harness racing, and any track conducting live horse races of the same breed at the same time as the simulcast race***. All interstate simulcasting shall be conducted in accordance with applicable federal laws.

(6)[~~(7)~~] ***The*** [~~Each~~] commission [~~of jurisdiction~~] may promulgate necessary and reasonable administrative regulations for the purpose of administering the conduct of intertrack wagering and regulating the conditions under which [~~such~~] wagering shall be held and conducted. Administrative regulations shall provide for the prevention of practices detrimental to the public interest and to impose penalties for violations. All administrative regulations shall be in conformity with the provisions of KRS 138.510 ***and this chapter***[~~, 230.260, 230.320, 230.361, 230.374 to 230.379, 230.622, 230.750 and 230.770~~].

Section 29. KRS 230.378 is amended to read as follows:

(1) A receiving track may accept wagers only at the track where it is licensed to conduct its race meeting or conduct intertrack wagering. A receiving track may accept wagers through a telephone account wagering system. Wagers at a receiving track, ***simulcast facility,*** or on telephone account wagering shall form a common pool with wagers at a host track. This common pool requirement shall not apply to wagers made in connection with interstate simulcasting pursuant to subsection ***(5)***[~~(6)~~] of KRS 230.377.

(2) The commission of a receiving track, ***simulcast facility,*** or on telephone account wagering shall be the same as the commission of the host track as determined in KRS 138.515 or 230.750.

(3) In the absence of a valid contract with a horsemen's organization, the commission of a receiving track, after deduction of applicable taxes and other applicable deductions, shall be split as follows: twenty-two percent (22%) to the host track, twenty-two percent (22%) to the purse program at the host track, twenty-two percent (22%) to the receiving track and twenty-two percent (22%) to the purse program at the receiving track. Twelve percent (12%) of the commission shall be allocated evenly between the host track and the receiving track to cover the cost of simulcasting, unless otherwise agreed to by contract.

(4) The deduction for the backside improvement fund, as provided for in KRS 138.515(4) and the deduction for equine drug research provided for in KRS 230.265(3), shall not apply to the commission or pari-mutuel tax of a receiving track or telephone account wagering.

(5) A receiving track shall be exempt from the admissions tax levied in KRS 138.480 and from any license fee imposed by statute or regulation by the commission [~~of jurisdiction~~].

Section 30. KRS 230.379 is amended to read as follows:

(1) A track may engage in telephone account wagering, ***if*** [~~provided that all telephone calls to place wagers be made to a location within the track enclosure, and provided that~~] all moneys used to place telephone account wagers ***are*** [~~be~~] on deposit in an amount sufficient to cover the wagers at the track where the account is opened. All moneys wagered by telephone account wagering shall be subject to the applicable pari-mutuel tax levied in KRS 138.510 and shall form a common pool with other pari-mutuel pools at the track for each posted race. The commission [~~of jurisdiction~~] shall have authority to promulgate necessary and reasonable

administrative regulations to regulate the conduct of telephone account wagering, including regulations for the deposit of funds by credit or debit cards or other means of electronic funds transfer.

(2) A track shall accept and tabulate a telephone account wager only from the holder of a telephone wagering account. No person shall directly or indirectly act as an intermediary, transmitter or agent in the placing of wagers for a holder of a telephone wagering account. No person shall in any manner place a wager through telephone account wagering, on behalf of a holder of a telephone wagering account. Only the holder of a telephone wagering account shall place a telephone wager. Any person violating this subsection shall be guilty of a class A misdemeanor.

(3) Telephone account wagering conducted in accordance with the provisions of this section shall not be considered a violation of KRS 528.110.

Section 31. KRS 230.398 is amended to read as follows:

All sums reported and paid to the commission under the provisions of KRS ***230.361 to 230.373 by any licensee conducting a harness race meeting*** [~~230.386~~ ~~or~~ ~~230.387~~] shall be used by it for purses at harness racing events at county fairs within the Commonwealth of Kentucky that have been licensed and approved by it. The commission shall have the authority to ***promulgate administrative*** [~~adopt~~ ~~rules~~ ~~and~~] regulations as may be necessary for the conduct of ***these*** [~~such~~] races.

Section 32. KRS 230.400 is amended to read as follows:

(1) There is hereby created a trust and revolving fund for the Kentucky [~~State~~] Racing Commission, designated as the Kentucky thoroughbred development fund, consisting of money allocated to the fund under the provisions of KRS 138.510, together with [~~such~~] other money [~~as~~ ~~may~~ ~~be~~] contributed to or allocated to the fund from all other sources. Money to the credit of the Kentucky thoroughbred development fund shall be distributed by the Treasurer for the purposes ***of this section*** [~~herein~~ ~~provided~~] upon authorization of the Kentucky [~~State~~] Racing Commission and upon approval of the secretary of the Finance and Administration Cabinet. Money from the Kentucky thoroughbred development fund shall be allocated to each licensed association in an amount equal to the amount the association contributed to the fund. Money to the credit of the Kentucky thoroughbred development fund at the end of each fiscal year shall not lapse, but shall be carried forward in such fund to the succeeding fiscal year.

(2) There is hereby established, under the general jurisdiction of the Kentucky [~~State~~] Racing Commission, a Kentucky Thoroughbred Development Fund Advisory Committee. The advisory committee shall consist of five (5) members, all of whom shall be residents of Kentucky, to be appointed by the chairman of the Kentucky [~~State~~] Racing Commission by July 1 of each year. The committee shall consist of two (2) thoroughbred breeders recommended by the Kentucky Thoroughbred Owners and Breeders, Inc.; one (1) thoroughbred owner recommended by the Kentucky division of the Horsemen's Benevolent and Protective Association; one (1) officer or director of a licensed association conducting thoroughbred racing in Kentucky, recommended by action of all of the licensed associations conducting thoroughbred racing in Kentucky; and one (1) member of the Kentucky [~~State~~] Racing Commission. If any member other than the commission member has not been recommended for appointment by July 1 of each year, the chairman of the Kentucky [~~State~~] Racing Commission shall make an appointment for the organization or organizations failing to [~~so~~] recommend a member of the committee. The members of the advisory committee shall serve without compensation, but shall be entitled to reimbursement for all expenses incurred in the discharge of official business. The advisory committee shall select from its membership annually a chairman and a vice chairman.

(3) (a) The Kentucky Thoroughbred Development Fund Committee shall advise and assist the Kentucky [~~State~~] Racing Commission in the development of the supplemental purse program provided herein for Kentucky bred thoroughbreds, shall make recommendations to the commission from time to time with respect to the establishment of guidelines, ***administrative*** [~~rules~~ ~~and~~] regulations for the provision of [~~such~~] supplemental purses, the amount thereof, the races for which ***the*** [~~such~~] purses are to be provided and the conditions thereof, manner and method of payment of [~~such~~] supplemental purses, registry of thoroughbred stallions standing within the Commonwealth of Kentucky, registry of Kentucky bred thoroughbreds for purposes of this section, nature and type of forms and reports to be employed and required in connection with the establishment, provision for, award and payment of [~~such~~] supplemental purses, and with respect to all other matters necessary in connection with the carrying out of the intent and purposes of this section.

(b) The Kentucky [~~State~~] Racing Commission shall employ [~~such~~] qualified personnel as may be required to assist the commission and the advisory committee in carrying out the provisions of this section. ***These*** [~~Such~~] persons shall serve at the pleasure of the commission and compensation for ***these*** [~~such~~] personnel shall be fixed by the commission. The compensation of ***these*** [~~such~~] personnel and the necessary expenses incurred by the commission or by the committee in carrying out the provisions of this section shall be paid out of the Kentucky thoroughbred development fund.

(4) The Kentucky [~~State~~] Racing Commission, with the advice and assistance of the Kentucky Thoroughbred Development Fund Advisory Committee, shall use the Kentucky thoroughbred development fund to promote, enhance, improve and encourage the further and continued development of the thoroughbred breeding industry in Kentucky by providing, out of the Kentucky thoroughbred development fund, supplemental purses for designated stakes, handicap, allowance, and nonclaiming maiden races contested at licensed thoroughbred race meetings in Kentucky, the awarding and payment of which supplemental purses shall be conditioned upon the winning or placing in ***designated*** [~~such~~] races by Kentucky bred thoroughbred horses. Any supplemental purse provided for a designated race shall be apportioned among the winning and placing horses in the same proportion as the stake or purse provided for ***the*** [~~such~~] race by the racing association. Winning or placing as used in this section shall include those horses finishing first, second, third and fourth in ***the*** [~~such~~] races. That portion of the supplemental purse provided for any [~~such~~] designated race for a winning or placing finish shall be awarded and paid to the owner of the horse so finishing only if ***the*** [~~such~~] horse is a Kentucky bred thoroughbred duly registered [~~as such~~] with the official registrar. Any portion of the supplemental purse which is not awarded and paid over shall be returned to the Kentucky thoroughbred development fund.

(5) (a) For purposes of this section, the term Kentucky thoroughbred stallion shall mean and include only a thoroughbred stallion standing the entire breeding season in Kentucky and registered as a Kentucky thoroughbred stallion with the official registrar of the Kentucky thoroughbred development fund.

(b) Except for thoroughbred horses foaled prior to January 1, 1980, the term Kentucky bred thoroughbreds for purposes of this section, shall mean and include only thoroughbred horses sired by Kentucky thoroughbred stallions foaled in Kentucky and registered as a Kentucky bred thoroughbred with the official registrar of the Kentucky thoroughbred development fund.

(c) Any thoroughbred horse foaled prior to January 1, 1980, may qualify as a Kentucky bred thoroughbred for purposes of this section if ***the*** [~~such~~] horse was foaled in Kentucky and if the sire of ***the*** [~~such~~] thoroughbred was standing at stud within Kentucky at the time of conception of such thoroughbred, provided ***the*** [~~such~~] thoroughbred is duly registered as a Kentucky bred thoroughbred with the official registrar of the Kentucky thoroughbred development fund.

(d) In order for an owner of a Kentucky sired thoroughbred to be eligible to demand, claim and receive a portion of a supplemental purse provided by the Kentucky thoroughbred development fund, the thoroughbred horse winning or placing in a designated race for which a supplemental purse has been provided by the Kentucky thoroughbred development fund must have been duly registered as a Kentucky bred thoroughbred with the official registrar of the Kentucky thoroughbred development fund prior to entry in ***the*** [~~such~~] race.

(6) (a) Kentucky Thoroughbred Owners and Breeders, Inc., is hereby recognized and designated as the sole official registrar of the Kentucky thoroughbred development fund for the purposes of registering Kentucky thoroughbred stallions and Kentucky bred thoroughbreds in accord with the terms of this section and ***any administrative*** [~~such rules and~~] regulations [~~as may be~~] promulgated by the Kentucky [~~State~~] Racing Commission. When a Kentucky bred thoroughbred is registered with the official registrar, the registrar shall be authorized to stamp the Jockey Club certificate issued for ***the*** [~~such~~] thoroughbred with the seal of the registrar, certifying that the [~~said~~] thoroughbred is a duly qualified and registered Kentucky bred thoroughbred for purposes of this section. The registrar may establish and charge, with the approval of the commission, reasonable registration fees for its services in the registration of Kentucky thoroughbred stallions and in the registration of Kentucky bred thoroughbreds. Registration records of the registrar shall be public records and open to public inspection at all normal business hours and times.

(b) Any interested party aggrieved by the failure or refusal of the official registrar to register a stallion or thoroughbred as a Kentucky stallion or as a Kentucky bred thoroughbred shall have the right to file with the commission, within thirty (30) days of such failure or refusal of the registrar, petition seeking registration of ***the*** [~~such~~] thoroughbred. The commission shall promptly hear the matter de novo and issue its order directing the official registrar to register or not to register as it may be determined by the commission.

(7) The Kentucky [~~State~~] Racing Commission shall ***promulgate administrative*** [~~adopt such rules and~~] regulations as may be necessary to carry out the provisions and purposes of this section, including the ***promulgation of administrative regulations*** [~~adoption of such rules~~] and forms as may be appropriate for the proper registration of Kentucky stallions and Kentucky bred thoroughbreds with the official registrar, and shall administer the Kentucky bred thoroughbred program created hereby in a manner best designed to promote and aid in the further development of the thoroughbred breeding industry in Kentucky, to upgrade the quality of thoroughbred racing in Kentucky and to improve the quality of thoroughbred horses bred in Kentucky.

Section 33. KRS 230.443 is amended to read as follows:

No quarter horse or Appaloosa foaled by artificial insemination shall be eligible to race under the provisions of ***this chapter*** [~~KRS 230.620 to 230.760~~], but Arabian horses foaled by artificial insemination shall be eligible to race under the provisions of ***this chapter*** [~~KRS 230.620 to 230.760~~].

Section 34. KRS 230.750 is amended to read as follows:

(1) The commission, including the tax levied in KRS 138.510, deducted from the gross amount wagered by the person, corporation or association which operates a ***harness*** horse track under the jurisdiction of the commission at which betting is conducted through a pari-mutuel or other similar system shall not exceed eighteen percent (18%) of the gross amount handled on straight wagering pools and twenty-five percent (25%) of the gross amount handled on multiple wagering pools, plus the breaks, which shall be made and calculated to the dime. Multiple wagering pools shall include daily double, perfecta, double perfecta, quinella, double quinella, trifecta, and other types of exotic betting. [~~Effective July 1, 1990,~~] An amount equal to three percent (3%) of the total amount wagered and included in the commission of a ***harness*** host track shall be allocated by the ***harness*** host track in the following manner. Two percent (2%) shall be allocated to the host for capital improvements, promotions, including advertising, or purses, as the host track shall elect. Three-quarters of one percent (3/4 of 1%) shall be allocated to overnight purses. One-quarter of one percent (1/4 of 1%) shall be allocated to the Kentucky standardbred, quarterhorse, Appaloosa, and Arabian development fund. ***This*** [~~Such~~] allocation shall be made after deduction from the commission of the pari-mutuel tax but prior to any other deduction, allocation or division of the commission.

(2) Each racing association licensed by the Kentucky [~~Harness~~] Racing Commission ***to conduct a harness race meeting*** shall pay an amount equal to one-half of one percent (1/2 of 1%) of its commissions into a revolving fund to be known as the harness backside improvement fund, and created herein. The provisions of this subsection shall not, however, apply to any association which does not own its backside as of March 30, 1990. Moneys deposited to the fund shall be allocated back to ***harness*** racing associations in the same percentage paid in, for projects and programs to promote, enhance, and improve the condition of association backsides. The commission shall approve any backside improvement project financed in whole or in part by backside improvement funds.

Section 35. KRS 230.760 is amended to read as follows:

No licensee conducting a race or meet hereunder, no member of the commission, judge, or assistant official appointed to act as such pursuant to ***this chapter*** [~~KRS 230.610 to 230.760~~], shall be liable for damages to any person, association, or corporation for any cause whatsoever arising out of or from the performance by ***the*** [~~such~~] licensee, commissioner, judge or assistant official of his duties and the exercise of his discretion with respect thereto, so long as he acted in good faith, without malice or improper motive.

Section 36. KRS 230.770 is amended to read as follows:

(1) There is hereby created a trust and revolving fund for the Kentucky [~~harness~~] Racing Commission, designated as the Kentucky standardbred, quarter horse, Appaloosa and Arabian development fund, consisting of money allocated to the fund under the provisions of KRS 138.510, together with ***any*** [~~such~~] other money [~~as may be~~] contributed to or allocated to the fund from all other sources. For the purposes of this section, "development fund" or "fund" means the Kentucky standardbred, quarter horse, Appaloosa and Arabian development fund. Money to the credit of the development fund shall be distributed by the Treasurer for the purposes [~~herein~~] provided ***in this section,*** upon authorization of the Kentucky [~~Harness~~] Racing Commission and upon approval of the secretary of the Finance and Administration Cabinet. Money to the credit of the fund at the end of each fiscal year shall not lapse, but shall be carried forward in the fund to the succeeding fiscal year.

(2) The Kentucky [~~Harness~~] Racing Commission shall use the development fund to promote races, and to provide purses for [~~such~~] races, for horses sired by stallions standing within the Commonwealth of Kentucky or as provided in subsection (2)(b) of this section. For purposes of this section, the term stallions standing within the Commonwealth of Kentucky shall include only stallions standing the entire breeding season within the Commonwealth of Kentucky and registered [~~as such~~] with the Kentucky [~~Harness~~] Racing Commission.

(a) The commission shall provide for distribution of money to the credit of the development fund to persons, corporations or associations operating licensed standardbred race tracks within Kentucky on an equitable basis, for the purpose of conducting separate races for two and three year old fillies and colts, both trotting and pacing, sired by standardbred stallions standing within the Commonwealth of Kentucky at the time of conception [~~thereof~~].

Notwithstanding other provisions hereof, a filly or colt foaled prior to January 1, 1978 shall be eligible to participate in races, a part of the purse for which is provided by money of the development fund, if the sire of ***the*** [~~such~~] filly or colt was standing at stud within the Commonwealth of Kentucky at the time of conception [~~of such filly or colt~~].

(b) The commission shall provide for distribution of money to the credit of the development fund to persons, corporations or associations operating licensed racetracks within Kentucky conducting quarter horse, Appaloosa or Arabian racing, on an equitable basis as determined by the commission.

(3) Money distributed from the development fund to licensed standardbred race tracks within the Commonwealth shall be used exclusively to promote races and provide purses for races conditioned to admit only standardbred colts and fillies sired by standardbred stallions standing within the Commonwealth of Kentucky.

(4) The Kentucky [~~Harness~~] Racing Commission shall fix the amount of money to be paid from the development fund to be added to the purse provided for each race by the licensed operator of the race track; shall fix the dates and conditions of races to be held by licensed race tracks; and shall ***promulgate*** [~~adopt~~] administrative regulations necessary to carry out the provisions of this section. Money from the fund shall be allocated to each breed of horse represented in the fund in an amount equal to the amount the breed has contributed to the fund.

(5) The Kentucky [~~Harness~~] Racing Commission may ***promulgate*** [~~adopt~~] administrative regulations necessary to determine the eligibility of horses for entry in races for which a portion of the purse is provided by money of the development fund, including administrative regulations for the registration of stallions standing within Kentucky and progeny thereof, including registration of progeny of the stallions foaled prior to June 19, 1976.

(6) The Kentucky [~~Harness~~] Racing Commission shall appoint qualified personnel necessary to supervise registration of, or determination of eligibility of, horses entitled to entry in races, a portion of the purse of which is provided by the development fund, to assist the commission in determining the conditions, class and quality of the fund supported race program to be established hereunder so as to carry out the purposes of this section. ***These*** [~~Such~~] persons shall serve at the pleasure of the commission and compensation shall be fixed by the commission. The compensation of [~~such~~] personnel and necessary expenses shall be paid out of the development fund.

The commission shall ***promulgate*** [~~adopt~~] administrative regulations to carry out the provisions of this section, and shall administer the Kentucky sire stakes program created hereby in a manner best designed to promote and aid in the development of the horse industry in Kentucky; to upgrade the quality of racing in Kentucky; and to improve the quality of horses bred in Kentucky.

Section 37. KRS 230.990 is amended to read as follows:

(1) Any person who violates KRS 230.070 or subsection (3) of KRS 230.080 shall be fined not more than one thousand dollars ($1,000). In addition to the fine, he shall be imprisoned in the county jail for not more than one (1) year or imprisoned in the penitentiary for not more than two (2) years.

(2) Any person who violates KRS 230.090 shall, for each offense, be fined not more than five hundred dollars ($500) or imprisoned for not more than six (6) months, or both fined and imprisoned.

(3) Any person who violates KRS 230.680 shall be fined not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000) for each day of the meeting or racing.

(4) Any person who refuses to make any report or to turn over sums as required by KRS 230.361 to 230.373 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000), or imprisoned for not less than thirty (30) days nor more than six (6) months, or both.

(5) Any person failing to appear before the commission at the time and place specified in the summons issued pursuant to KRS 230.260(7), or refusing to testify, shall be deemed guilty of a misdemeanor and upon conviction by a court of competent jurisdiction shall be punished by a fine of not more than one thousand dollars ($1,000) or by imprisonment for not more than six (6) months, or both. False swearing on the part of any witness shall be deemed perjury and punished as such.

Section 38. KRS 12.020 is amended to read as follows:

Departments, program cabinets and their departments, and the respective major administrative bodies that they include are enumerated in this section. It is not intended that this enumeration of administrative bodies be all-inclusive. Every authority, board, bureau, interstate compact, commission, committee, conference, council, office, or any other form of organization shall be included in or attached to the department or program cabinet in which they are included or to which they are attached by statute or statutorily-authorized executive order, provided, however, in the case of the Personnel Board, and where the attached department or administrative body is headed by a constitutionally elected officer, such attachment shall be solely for the purpose of dissemination of information and coordination of activities and shall not include any authority over the functions, personnel, funds, equipment, facilities, or records of such department or administrative body.

I. Cabinet for General Government - Departments headed by elected officers:

1. The Governor.

2. Lieutenant Governor.

3. Department of State.

(a) Secretary of State.

(b) Board of Elections.

4. Department of Law.

(a) Attorney General.

5. Department of the Treasury.

(a) Treasurer.

6. Department of Agriculture.

(a) Commissioner of Agriculture.

(b) Kentucky Council on Agriculture.

7. Superintendent of Public Instruction.

8. Auditor of Public Accounts.

9. Railroad Commission.

II. Program cabinets headed by appointed officers:

1. Justice Cabinet:

(a) Department of State Police.

(b) Department of Criminal Justice Training.

(c) Office of Administration.

2. Education and Humanities Cabinet:

(a) Department of Education.

(1) State Board for Elementary and Secondary Education.

(2) Education Professional Standards Board.

(b) Department for Libraries and Archives.

(c) Kentucky Educational Television.

(d) Kentucky Historical Society.

(e) Kentucky Teachers' Retirement System Board of Trustees.

3. Natural Resources and Environmental Protection Cabinet:
    (a) Environmental Quality Commission.
    (b) Kentucky Nature Preserves Commission.
    (c) Department for Environmental Protection.
    (d) Department for Natural Resources.
    (e) Department for Surface Mining Reclamation and Enforcement.
    (f) Department of Law.
    (g) Office of Communications and Community Affairs.
4. Transportation Cabinet:
    (a) Department of Highways.
    (b) Department of Vehicle Regulation.
    (c) Department of Administrative Services.
    (d) Department of Fiscal Management.
    (e) Department of Rural and Municipal Aid.
    (f) Office of Aeronautics.
    (g) Office of General Counsel.
    (h) Office of Public Relations.
    (i) Office of Personnel Management.
    (j) Office of Minority Affairs.
5. Cabinet for Economic Development:
    (a) Department for Existing Business and Industry.
    (b) Department of the Arts.
    (c) Tobacco Research Board.
    (d) Kentucky Development Finance Authority.
    (e) Office of Business and Technology.
    (f) Office of Industrial Development.
6. Public Protection and Regulation Cabinet:
    (a) Public Service Commission.
    (b) Department of Insurance.
    (c) Department of Housing, Buildings and Construction.
    (d) Department of Financial Institutions.
    (e) Department of Mines and Minerals.
    (f) Department of Public Advocacy.

(g) Department of Alcoholic Beverage Control.

(h) Kentucky [~~Harness~~] Racing Commission.

(i) [~~Kentucky State Racing Commission.~~

~~(j)~~] Registry of Election Finance.

(j)[~~(k)~~] Board of Claims.

(k)[~~(l)~~] Crime Victims Compensation Board.

(l)[~~(m)~~] Kentucky Board of Tax Appeals.

(m)[~~(n)~~] Backside Improvement Commission.

7. Cabinet for Human Resources:

(a) Department for Health Services.

(b) Department for Employment Services.

(c) Department for Social Insurance.

(d) Department for Social Services.

(e) Department for Medicaid Services.

(f) Department for Mental Health and Mental Retardation Services.

(g) Unemployment Insurance Commission.

(h) Commission for Handicapped Children.

(i) Public Assistance Appeals Board.

(j) Office of Administrative Services.

(k) Office of Communications.

(l) Office of General Counsel.

(m) Office of Inspector General.

(n) Office of Policy and Budget.

(o) Office of the Ombudsman.

8. Finance and Administration Cabinet:

(a) Office of Legal and Legislative Services.

(b) Office of Management and Fiscal Affairs.

(c) Office of Historic Properties.

(d) Office of Financial Management and Economic Analysis.

(e) Office of Risk Management.

(f) Department for Administration.

(g) Department of Facilities Management.

(h) Department of Information Systems.

(i) State Property and Buildings Commission.

(j) Kentucky Pollution Abatement Authority.

(k) Kentucky Savings Bond Authority.

(l) Deferred Compensation Systems.

(m) Office of Equal Employment Opportunity Contract Compliance.

(n) Capital Plaza Authority.

(o) County Officials Compensation Board.

(p) Financial Disclosure Review Commission.

(q) Kentucky Employees Retirement Systems.

(r) Commonwealth Credit Union.

(s) State Investment Commission.

(t) Kentucky Housing Corporation.

(u) Governmental Services Center.

(v) Kentucky Local Correctional Facilities Construction Authority.

(w) Kentucky Turnpike Authority.

(x) Historic Properties Advisory Commission.

9. Corrections Cabinet:

(a) Parole Board.

(b) Commission on Corrections and Community Services.

(c) Department of Adult Correctional Institutions.

(d) Department of Community Services and Facilities.

(e) Office of Administrative Services.

(f) Office of Corrections Training.

(g) Office of General Counsel.

10. Labor Cabinet:

(a) Department of Workplace Standards.

(b) Department of Workers' Claims.

(c) Kentucky Labor-Management Advisory Council.

(d) Occupational Safety and Health Standards Board.

(e) Prevailing Wage Review Board.

(f) Workers' Compensation Board.

(g) Kentucky Employees Insurance Association.

(h) Apprenticeship and Training Council.

(i) State Labor Relations Board.

(j) Kentucky Occupational Safety and Health Review Commission.

(k) Office of Administrative Services.

(l) Office of Labor Management Relations.

(m) Office of General Counsel.

11. Revenue Cabinet:

(a) Department of Property Taxation.

(b) Department of Tax Compliance.

(c) Department of Administrative Services.

12. Tourism Cabinet:

(a) Department of Travel Development.

(b) Department of Parks.

(c) Department of Fish and Wildlife Resources.

(d) Kentucky Horse Park Commission.

(e) State Fair Board.

(f) Office of Administrative Services.

(g) Office of General Counsel.

13. Cabinet for Workforce Development:

(a) Department for Adult and Technical Education.

(b) Department of Vocational Rehabilitation.

(c) Department for the Blind.

(d) State Board for Adult and Technical Education.

(e) Governor's Council on Vocational Education.

(f) Governor's Commission on Literacy.

(g) The State Board for Proprietary Education.

(h) The GED Foundation.

(i) The Kentucky Occupational Information Coordinating Committee.

(j) The Kentucky Job Training Coordinating Council.

III. Other departments headed by appointed officers:

1. Department of Military Affairs.

2. Department of Personnel.

3. Council on Higher Education.

4. Department of Local Government.

5. Kentucky Commission on Human Rights.

6. Kentucky Commission on Women.

Section 39. KRS 48.315 is amended to read as follows:

(1) The General Assembly may provide in a budget bill for the transfer to the general fund for the purpose of the general fund all or part of the agency funds, special funds, or other funds established under the provisions of KRS 15.430; 16.565; 21.347; 21.540; 21.560; 42.500; 47.010; 48.010(g); 56.100; 61.470; 61.580; 64.345; 64.350; 64.355; 78.650; 95A.220; 136.392; 138.510; 150.150; 154.150; 161.420; 161.430; 164A.020; 164A.110; 164A.800; 164A.810; 216A.110; 230.218; [~~230.398;~~] 230.400; 230.770; 235.330; 248.540; 248.550; 278.130; 278.150; 287.485; 304.35-030; 311.450; 311.610; 312.019; 313.350; 314.161; 315.195; 316.210; 317.530; 317A.080; 319.131; 320.360; 321.320; 322.290; 322.330; 322.420; 323.080; 323.190; 323.210; 323A.060; 323A.190; 323A.210; 324.286; 324.410; 325.250; 326.120; 327.080; 330.050; 334.160; 334A.120; 335.140; 342.122; 342.480, etc.

(2) The transfer of moneys from the agency funds, special funds, or other funds to the general fund provided for in subsection (1) of this section shall be for the period of time specified in the budget bill.

(3) Any provisions of any statute in conflict with the provisions of subsections (1) and (2) of this section are hereby suspended or modified. ***Any*** [~~Such~~] suspension or modification shall not extend beyond the duration of the budget bill.

Section 40. The following KRS sections are repealed:

230.220 Kentucky state racing commission — Membership — Terms — Compensation — Office — Open meetings — Quorum.

230.376 Definitions.

230.385 Regulation of pari-mutuel wagering.

230.386 Report of unclaimed pari-mutuel tickets presumed abandoned.

230.387 Money to be turned over to commission.

230.388 Judicial determination of rights.

230.389 Payment to commission relieves person of claims liability.

230.390 Time for filing claims.

230.391 Commission's consideration of claim — Payment.

230.392 Appeals.

230.393 Examination of records.

230.394 Rules.

230.395 Civil action authorized.

230.396 Costs — Payment.

230.397 Statute of limitations for person under disability.

230.610 Definitions for KRS 230.620 to 230.760.

230.622 Kentucky Harness Racing Commission — Organization — Former advisory members' status — Biennial report — Compensation and reimbursement.

230.630 Authority and power of commission.

230.640 Purpose — Policy — Penalty.

230.650 Secretary of Commission — Other personnel.

230.660 Appointment of additional employees — Payment of salaries.

230.670 Legal counsel.

230.680 Requirement for license — Fee.

230.690 License to conduct horse racing or engage in simulcasting or intertrack wagering as a receiving track.

230.700 Attendants' licenses.

230.710 Format and content of licenses.

230.720 Suspension or revocation of license — Appeal.

230.730 Proceedings on appeal.

230.740 Scope of provisions — Taxes.

The Committee Substitute to **HB 749** is as follows:

HB 749, AN ACT relating to horse racing.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky Racing Commission is created as an independent agency of state government to regulate the conduct of horse racing and pari-mutuel wagering on horse racing within the Commonwealth of Kentucky. Any program or activity previously subject to the jurisdiction of the Kentucky State Racing Commission or the Kentucky Harness Racing Commission shall be subject to the jurisdiction of the Kentucky Racing Commission on the effective date of this Act.

(2) The Kentucky Racing Commission shall consist of eleven (11) commissioners appointed by the Governor. In making appointments, the Governor shall secure broad representation within the horse industry, to include appointment of seven (7) members broadly representative of the thoroughbred industry and three (3) members broadly representative of the standardbred, quarter horse, Appaloosa, or Arabian industries. Recommendations for appointments to the commission shall be sought from various industry groups, to include the Kentucky Thoroughbred Owners and Breeders, Inc., the Kentucky Division of the Horsemen's Benevolent and Protective Association, the Kentucky Harness Horsemen's Association, and other interested organizations. An additional commissioner shall be appointed by the Governor, with this appointee having no financial interest in the business or industry regulated. For initial appointments three (3) members shall be appointed for one (1) year terms, three (3) for two (2) year terms, three (3) for three (3) year terms, and two (2) for four (4) year terms. Thereafter, all commissioners appointed by the Governor shall serve a term of four (4) years or until their successors are appointed and duly qualified. Any vacancy on the commission shall be filled pursuant to the requirements and procedures for original appointments.

(3) Commissioners shall receive fifty dollars ($50) per day for each meeting attended and shall be reimbursed for all expenses paid or incurred in the discharge of official business. The Governor shall designate one (1) of the commissioners as chairman and the commission shall elect one (1) of its members as vice chairman. Before entering upon the discharge of their duties, each commissioner shall take the constitutional oath of office.

(4) The commission shall establish and maintain a general office for the transaction of its business and may in its discretion establish a branch office or offices. The commission may hold meetings at any of its offices or at any other place when the convenience of the commission requires. All meetings of the commission shall be open and public, and all persons shall be permitted to attend meetings. A majority of the commission shall constitute a quorum for the transaction of its business or exercise of any of its powers.

(5) The duly-promulgated administrative regulations of the Kentucky State Racing Commission and the Kentucky Harness Racing Commission, in effect as of the effective date of this Act, shall remain in effect as the initial regulations of the Kentucky Racing Commission until revoked or modified by the commission.

(6) All licenses approved by, and dates awarded by, the respective commissions shall remain in effect through December 31, 1992.

SECTION 2. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ AS FOLLOWS:

(1) Any track licensed by the commission to conduct horse racing and desiring to establish a simulcast facility shall apply for and may receive approval from the commission for each simulcast facility. Prior to considering an application for approval of a simulcast facility, the commission shall notify by regular mail, each state senator, state representative, county judge/executive, and mayor in the jurisdiction in which the proposed simulcast facility is located, at least ten (10) days in advance of the commission meeting at which the application is to be considered or voted upon. Consideration of an application shall be based on criteria contained in administrative regulations promulgated pursuant to KRS 230.300. Approval, if granted, shall be granted for a term of one (1) calendar year.

(2) A track or tracks may proceed with the establishment of a simulcast facility unless, within sixty (60) days of the date on which the commission approved the facility, the governing body of the local government jurisdiction in which the facility is to be located votes, by simple majority of those voting, to disapprove the establishment of the simulcast facility. For the purposes of this section, "governing body" means, in an incorporated area, the board of aldermen, city council or board of commissioners; in a county, the fiscal court; in an urban-county government, the urban-county council, or in a charter county, the legislative body created in accordance with KRS 67.825 to 67.875.

(3) The commission shall not approve the establishment of any simulcast facility within a radius of fifty (50) miles of a licensed track. The commission may approve the establishment of one (1) simulcast facility within a radius of greater than fifty (50) miles but less than seventy-five (75) miles of a licensed track, but the facility shall not be approved to operate without the prior written consent of the licensed track within whose seventy-five (75) mile radius the facility is located.

(4) The commission may promulgate administrative regulations as it deems appropriate to protect the integrity of pari-mutuel wagering at any simulcast facility.

(5) Licensed tracks conducting horse racing may enter into joint agreements to establish or operate one (1) or more simulcast facilities, on terms and conditions as the participating tracks may determine. Any agreements respecting these arrangements shall be filed with the commission, and applications for simulcast facilities shall be filed by and licenses may be issued to, these licensed tracks by the commission.

(6) A simulcast facility may be established and operated on property that is owned or leased and which is not used solely for the operation of a simulcast facility; provided however, that a simulcast facility may not be established on the premises of a lottery vendor.

(7) A simulcast facility shall not be subject to and shall not pay any excise tax imposed pursuant to KRS 138.510, any license tax imposed pursuant to KRS 137.170, or any admission tax imposed pursuant to KRS 138.480.

(8) One percent (1%) of all moneys wagered at a simulcast facility shall be dedicated for local economic development and shall be allocated as follows:

(a) If a simulcast facility is located in an incorporated area, seventy-five percent (75%) shall be allocated to the governing body of the city in which the facility is located, and twenty-five percent (25%) to the governing body of the county in which the facility is located.

(b) If a simulcast facility is located in an unincorporated area, all moneys shall be allocated to the governing body of the county or charter county in which the facility is located.

(9) (a) After the deduction of moneys under subsection (8), simulcast facility shall deduct a commission allowed pursuant to KRS 138.515 with respect to all wagers made at the simulcast facility. The commission, less moneys allocated in subsection (8) of this section, shall be split as follows:

1. Thirty percent (30%) shall be allocated to the host track;

2. Thirty percent (30%) to the purse program at the host track;

3. Six percent (6%) to be retained by the track or tracks owning the simulcast facility for the purpose of application to expenses incurred in connection therewith; and

4. Thirty-four percent (34%) shall be allocated and deposited in the breeders' award fund described in Section 3 of this Act.

(b) The commission of a simulcast facility derived from interstate wagering shall be reduced by any amounts required to be paid by contract to the host track or track conducting the live race before it is divided as set forth in this section. No simulcast facility may receive any interstate simulcast except with the approval of the live Kentucky host track.

SECTION 3. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ AS FOLLOWS:

(1) There is created in the State Treasury and accounting system, for the use and benefit of the commission, a trust and revolving fund, to be known as the "Breeders' Award Fund," consisting of moneys allocated to the fund under the provisions of subsection (9) of Section 2 of this Act and subsection (3) of this section.

(2) The breeders' award fund shall be administered and maintained by the Breeders' Award Committee, a standing committee of the commission, comprised of five (5) commission members: the chairman of the commission, the vice chairman of the commission, and three (3) at large members of the commission appointed by the chairman for one (1) year terms. As soon as practicable after the close of each fiscal year, the Breeders' Award Committee shall disburse to thoroughbred breeders and stallion owners all moneys in the breeders' award fund on terms and based on criteria determined by the full commission and promulgated by administrative regulation. The amounts of all disbursements and the identities of all recipients of disbursements shall be reported to the full commission at the first regularly scheduled meeting succeeding the disbursements. Notwithstanding the foregoing, the committee shall, prior to making any disbursements to individual breeders, make the following allocations:

(a) Three percent (3%) of all moneys on deposit in the breeders' award fund to the commission, which shall be used by the commission for purses at harness racing events at county fairs within the Commonwealth of Kentucky that have been licensed and approved by the commission; and

(b) Seven percent (7%) of all moneys on deposit in the breeders' award fund to the Kentucky Standardbred development fund.

(3) Effective July 1, 1993, the breeders' award fund shall be guaranteed a balance of three million, seven hundred fifty thousand dollars ($3,750,000) per year. By July 15 of each year, the Revenue Cabinet shall have calculated the amount of revenue deposited in the fund during the previous fiscal year, and, if commissions from simulcast facilities are not sufficient to ensure the prescribed funding level, the difference shall be deposited in the breeders' award fund from a general fund appropriation to the commission subject to conditions set forth in the appropriations act. The Revenue Cabinet shall separately account for and report the trust and revolving fund receipts received under this provision.

Section 4. KRS 137.170 is amended to read as follows:

(1) Every person engaged in the business of conducting a race ***meeting*** [~~track~~] at which ***live horse*** races are run for stakes, purses or prizes, under the jurisdiction of the ***Kentucky*** [~~state~~] Racing Commission, shall pay a license tax to the state, as provided in subsection (2) of this section.

(2) Any [~~such~~] race track for any year commencing December 1 and ending the following November 30 for the days upon which races are actually conducted for any stake, purse or prize, shall pay a license tax based on the average daily mutuel handle for the preceding year as follows:

Average Daily Mutuel Handle	License Tax
0 - $250,000	$ 175
$250,001 [~~0~~] - $450,000	$ 500
$450,001 - $700,000	$1,000
$700,001 - $800,000	$1,500
$800,001 - $900,000	$2,000
$900,001 and above	$2,500

(3) As used in subsection (2) of this section the term "daily mutuel handle" shall be understood to mean the total gross amount of money bet or wagered by ***a race track's*** [~~its~~] patrons by means of pari-mutuel, combination, or French pools ***on live races conducted by the track.***

Section 5. KRS 137.190 is amended to read as follows:

The license tax imposed by KRS 137.170, the admission tax imposed by KRS 138.480 and the state ***taxes and contributions*** [~~tax~~] imposed by KRS 138.510 to 138.550 ***and Section 2 of this Act*** on pari-mutuel systems of betting shall be in lieu of all other license, excise, special or franchise taxes to the state or any county, city or other political subdivision. No county, city or other political subdivision may levy any license, income, excise, special or franchise tax on any such person or corporation engaged in the business of conducting a race track at which races are conducted for stakes, purses or prizes, ***or operating as a receiving track or simulcast facility,*** or on the operation or maintenance of any pari-mutuel machine or similar device, or on the money or amount of money handled by or through any pari-mutuel machine or similar device or on the sale of any merchandise during the conducting of races thereon by any such person or corporation.

Section 6. KRS 138.480 is amended to read as follows:

Each person entering the grounds or ***enclosure*** [~~inclosure~~] of any race track at which a ***live*** race meeting is being conducted under the jurisdiction of the ***Kentucky*** [~~State~~] Racing Commission, for the purpose of attending the races or for any other purpose connected therewith, shall pay a tax of fifteen cents ($0.15) to the state, except as otherwise provided in this section. If tickets good for more than one (1) day are issued, the sum of fifteen cents ($0.15) shall be paid by each person using such ticket on each day that it is used. No admission tax shall be collected from any of the employees of the race track, or any of the owners or trainers of horses, or jockeys, or their employees. The admission tax provided for in this section shall be collected by the race track from each person on entering the race track or ***enclosure*** [~~inclosure~~] on a paid or free admission. The race track shall account to and pay to the state the money so collected.

Section 7. KRS 138.510 is amended to read as follows:

(1) [~~Through June 30, 1990, an excise tax is imposed on every person, corporation or association which operates a race track under the jurisdiction of the Kentucky State Racing Commission at which betting is conducted through a pari-mutuel or other similar system and which is conducting a race meeting. The tax shall be an amount equal to four and three-fourths percent (4.75%) of all money wagered during the year. A year as used herein shall begin at 12:01 a. m. July 1 and end at 12 midnight June 30. From July 15, 1982, until June 30, 1990, tracks with a daily average handle of less than one million two hundred thousand dollars ($1,200,000) shall receive a tax credit amounting to three percent (3%) of money wagered, with one and one-half percent (1.5%) to be allocated to purses, one percent (1%) to capital improvement and one-half percent (0.5%) for administration. From July 15, 1986 until June 30, 1990, tracks with a daily average handle of one million two hundred thousand dollars ($1,200,000) or more shall receive a tax credit amounting to one percent (1%) of money wagered, to be allocated to purses. All money from the tax credit allocated to purses shall be in addition to purse money allocated by contractual agreement or by regulation of the commission. All expenditures of tax credit money shall be reported to and approved by the commission in such form and frequency as the commission by regulation may require. Copies of all such reports shall also be sent to the Legislative Research Commission. An amount equal to three-quarters of one percent (3/4 of 1%) of all pari-mutuel wagering shall be deducted from the tax and deposited in the Kentucky thoroughbred development fund created and described in KRS 230.400.~~

~~(2) Through June 30, 1990, An excise tax is imposed on every person, corporation or association which operates a race track under the jurisdiction of the Kentucky Harness Racing Commission at which betting is conducted through a pari-mutuel or other similar system and which is conducting a race meeting. The tax shall be an amount equal to five percent (5%) of all money wagered during the year. A year as used~~ [herein] ~~shall begin at 12:01 a. m. July 1 and end at 12 midnight June 30. An amount equal to one percent (1%) of all pari-mutuel wagering on racing under the jurisdiction of the Kentucky Harness Racing Commission shall be deducted from the tax and set aside by the Revenue Cabinet and shall be deposited in the Kentucky standardbred, quarter horse, Appaloosa and Arabian development fund created and described in KRS 230.770. From July 15, 1982, until June 30, 1990, Associations conducting a race meet under the jurisdiction of the Kentucky Harness Racing Commission with a daily average handle of less than three hundred thousand dollars ($300,000) shall receive a tax credit of three percent (3%) of all money wagered, two percent (2%) to be allocated to the associations for capital improvements, promotions, including advertising, or purses, as the association shall elect and three-quarters of one percent (0.75%) to be allocated to overnight purses and one-quarter of one percent (0.25%) to be allocated to the Kentucky standardbred, quarter horse, Appaloosa and Arabian development fund. Said expenditures shall be reported to and approved by the Harness Racing Commission in such form and frequency as the commission by regulation may require. Copies of all such reports shall also be sent to the Legislative Research Commission.~~

~~(3) Effective July 1, 1990,~~] An excise tax is imposed on all tracks conducting pari-mutuel racing under the jurisdiction of the Kentucky [~~State~~] Racing Commission [~~and the Kentucky Harness Racing Commission~~]. For ***each track*** [~~tracks~~] with a daily average handle of one million two hundred thousand dollars ($1,200,000) or above, the tax shall be in the amount of three and one-half percent (3.5%) of all money wagered during the fiscal year. ***A fiscal year as used in this subsection and subsection (2) shall begin at 12:01 a.m. July 1 and end at 12 midnight June 30.*** For ***each track*** [~~tracks~~] with a daily average handle under one million two hundred thousand dollars ($1,200,000) the tax shall be an amount equal to one and one-half percent (1.5%) of all money wagered during the fiscal year. For the purposes of this subsection [~~and subsections (1) and (2) of this section~~], the daily average handle shall be computed from the amount wagered only at the host track and shall not include money wagered at a receiving track***, at a simulcast facility,*** or on telephone account wagering. Money shall be deducted from the tax paid by host tracks and deposited to the respective development funds in the [~~same~~] amount ***of three quarters of one percent (0.75%) of the live racing handle for thoroughbred racing and one percent (1%) of the live racing handle for harness racing*** [~~and same manner as provided for in subsections (1) and (2) of this section, termination dates in these sections notwithstanding~~].

(2)[~~(4)~~] An excise tax is imposed on ***all licensed tracks conducting*** telephone account wagering ***or*** [~~and all tracks not conducting pari-mutuel racing but~~] participating as receiving tracks in intertrack wagering under the ***jurisdiction*** [~~jurisdictions~~] of the Kentucky [~~State~~] Racing Commission. [~~and the Kentucky Harness Racing Commission. From July 15, 1988, until June 30, 1990, the tax shall be in the amount of five percent (5%) of all money wagered during the fiscal year. After June 30, 1990,~~] The tax shall be in the amount of three percent (3%) of all money wagered by ***these*** [~~such~~] methods during the fiscal year. [~~After June 30, 1990,~~] An amount equal to two percent (2%) of the amount wagered and deducted from the tax imposed in this subsection shall be deposited in the thoroughbred development fund if the host track is ***conducting a thoroughbred race meeting*** [~~under the jurisdiction of the Kentucky State Racing Commission~~], or the Kentucky standardbred, quarter horse, Appaloosa and Arabian development fund, if the host track is ***conducting a harness race meeting*** [~~under the jurisdiction of the Kentucky Harness Racing Commission~~].

(3)[~~(5)~~] Two-tenths of one percent (0.2%) of the total amount wagered in Kentucky shall be deducted from the pari-mutuel tax levied in ***subsection*** [~~subsections~~] (1), [~~(2), and (3) of this section~~] and allocated to the equine industry program trust and revolving fund to be used for funding the equine industry program at the University of Louisville.

Section 8. KRS 138.515 is repealed, reenacted as a new section of KRS Chapter 230 and amended to read as follows:

(1) The commission, including the tax levied in KRS 138.510, deducted from the gross amount wagered by the [~~person, corporation or~~] association which operates a race track under the jurisdiction of the Kentucky [~~State~~] Racing Commission ***and conducts the thoroughbred racing*** at which betting is conducted through a pari-mutuel or other similar system, in races where the patron is required to select one (1) horse, and the breaks, which breaks shall be made and calculated to the dime, shall not be [~~less than fifteen percent (15%) nor~~] more than sixteen percent (16%) at the discretion of those tracks averaging over one million two hundred thousand dollars ($1,200,000) in on-track pari-mutuel handle per day of live racing conducted by the association. The commission at those tracks averaging one million two hundred thousand dollars ($1,200,000) or less in on-track pari-mutuel handle per day of live racing conducted by the association, at the discretion of such track, shall not be [~~less than sixteen and one-half percent (16.5%) nor~~] more than seventeen and one-half percent (17.5%) in races where the patron is required to select one (1) horse, and the breaks, which breaks shall be made and calculated to the dime.

(2) The commission at those tracks averaging over one million two hundred thousand dollars ($1,200,000) in on track pari-mutuel handle per day of live racing conducted by the association, including the tax levied in KRS 138.510, deducted from the gross amount wagered by the person, corporation or association which operates a race track under the jurisdiction of the Kentucky [~~State~~] Racing Commission ***and conducts thoroughbred racing*** at which betting is conducted through a pari-mutuel or other similar system shall not exceed nineteen percent (19%) of the gross handle in races where the patron is required to select two (2) or more horses, and the breaks, which breaks shall be made and calculated to the dime. The commission, at those tracks averaging one million two hundred thousand dollars ($1,200,000) or less in on track pari-mutuel handle per day of live racing conducted by the association, including the tax levied in KRS 138.510, deducted from the gross amount wagered by the [~~person, corporation or~~] association which operates a race track under the jurisdiction of the Kentucky [~~State~~] Racing Commission ***and conducts thoroughbred racing*** at which betting is conducted through a pari-mutuel or other similar system shall not exceed twenty-two percent (22%) of the gross handle in races where the patron is required to select two (2) or more horses, and the breaks, which breaks shall be made and calculated to the dime.

(3) The minimum wager to be accepted by any licensed association ***may*** [~~shall~~] be ***one dollar ($1)*** [~~two dollars ($2)~~]. The minimum pay-off on a ***one dollar ($1)*** [~~two dollar ($2)~~] wager shall be ***one dollar and ten***

cents ($1.10) [~~two dollars and twenty cents ($2.20)~~]; ***but*** [~~provided, however~~], in the event of a minus pool, the minimum pay-off for a ***one dollar ($1)*** [~~two dollar ($2)~~] wager shall be ***one dollar and five cents ($1.05)*** [~~two dollars and ten cents ($2.10)~~].

(4) ***Each*** [~~The racing~~] association ***conducting thoroughbred racing and*** averaging one million two hundred thousand dollars ($1,200,000) or less in on-track pari-mutuel handle per day of live racing conducted by the association shall pay to the backside improvement fund an amount equal to one-half of [~~the~~] one percent (0.5%) of its [~~commissions derived from~~] on-track pari-mutuel wagers.

Section 9. KRS 138.530 is amended to read as follows:

(1) The Revenue Cabinet shall enforce the provisions of and collect the tax and penalties imposed and other payments required by KRS 138.510 to 138.550, and in doing so it shall have the general powers and duties granted it in KRS Chapter 131 and KRS 135.050, including the power to enforce, by an action in the Franklin Circuit Court, the collection of the tax, penalties and other payments imposed or required by KRS 138.510 to 138.550.

(2) The remittance of the tax imposed by KRS 138.510 ***and the commission from simulcast facilities to the breeders' award fund*** shall be made ***weekly*** to the Revenue Cabinet ***no later than the fifth business day, excluding Saturday and Sunday,*** [~~the next business day~~] following ***the close of*** each ***week*** [~~day~~] of racing, during each race meeting and accompanied by [~~such~~] reports as prescribed by ***the*** [~~said~~] cabinet. All [~~such~~] funds received by the Revenue Cabinet shall be paid into the State Treasury and shall be credited to the general expenditure fund.

(3) The supervisor of pari-mutuel betting appointed by the Kentucky [~~State~~] Racing Commission shall ***weekly*** [~~daily~~], during each race meeting, report to the Revenue Cabinet the total amount bet or handled the preceding ***week*** [~~day~~] and the amount of tax due the state thereon, under the provisions of KRS 138.510 to 138.550.

(4) The supervisor of pari-mutuel betting appointed by the Kentucky [~~State~~] Racing Commission or his duly authorized representatives shall, at all reasonable times, have access to all books, records, issuing or vending machines, adding machines and all other pari-mutuel equipment for the purpose of examining and checking the same and ascertaining whether or not the proper amount or amounts due the state are being or have been paid.

(5) Every person, corporation, or association required to pay the tax imposed by KRS 138.510 shall keep its books and records so as to clearly show by a separate record the total amount of money contributed to every pari-mutuel pool, including daily double pools, if any.

Section 10. KRS 230.090 is amended to read as follows:

No official timer at any ***horse*** [~~trotting or running~~] race shall announce wilfully and falsely a slower or faster time than that actually accomplished by a horse[~~, when the result of that race is to constitute a record~~].

Section 11. KRS 230.210 is amended to read as follows:

As used in ***this chapter,*** [~~KRS 230.215 to 230.361~~] unless the context requires otherwise:

(1) "Association" means any person licensed by the Kentucky [~~state~~] Racing Commission under KRS 230.300 and engaged in the conduct of a recognized ***horse*** [~~thoroughbred~~] race meeting;

(2) "Commission" means the Kentucky [~~state~~] Racing Commission;

(3) "Commissioner" means a ***commissioner*** [~~member~~] of the Kentucky [~~state~~] Racing Commission;

(4) [~~"Secretary" means the secretary of the Kentucky state racing commission;~~

~~(5)~~] "Thoroughbred race or thoroughbred racing" ***means a*** [~~shall include that~~] form of horse racing in which each horse participating in ***the*** [~~such~~] race is a thoroughbred, (i.e., meeting the requirements of and registered with The Jockey Club of New York) and is mounted by a jockey;

(5) "Harness race" or "harness racing" means trotting and pacing races of the standardbred horses;

(6) "Appaloosa race or Appaloosa racing" means that form of horse racing in which each horse participating in ***the*** [~~such~~] a race is registered with the Appaloosa Horse Club of Moscow, Idaho, and is mounted by a jockey; [~~and~~]

(7) "***Horse*** [~~Thoroughbred~~] race meeting" means horse racing run [~~on the flat or over jumps~~] at an association licensed and regulated by the ***Kentucky*** [~~state~~] Racing Commission, and may include [~~both~~] thoroughbred ***and harness*** [~~racing and appaloosa~~] racing***;***

(8) "Quarter horse" means a horse that is registered with the American Quarter Horse Association of Amarillo, Texas;

(9) "Arabian" means a horse that is registered with the Arabian Horse Registry of Denver, Colorado;

(10) "Track" means any association duly-licensed by the Kentucky Racing Commission to conduct horse racing. "Track" shall include any facility or real property that is owned or purchased by a track within the same county but not contiguous to track premises, upon commission approval;

(11) "Simulcast facility" means any facility approved pursuant to the provisions of Section 2 of this Act to simulcast racing and conduct pari-mutuel wagering;

(12) "Simulcasting" means the telecast of live audio and visual signals of horse races for the purpose of pari-mutuel wagering;

(13) "Intertrack wagering" means pari-mutuel wagering on simulcast horse races from a host track by patrons at a receiving track;

(14) "Interstate wagering" means pari-mutuel wagering on simulcast horse races from a track located in another state or foreign country by patrons at a receiving track or simulcast facility;

(15) "Host track" means the track conducting racing and offering its racing for intertrack wagering, or, in the case of interstate wagering, means the Kentucky track conducting racing and offering simulcasts of races conducted in other states or foreign countries;

(16) "Receiving track" means a track where simulcasts are displayed for wagering purposes. A track which submits an application for intertrack wagering shall meet all the regulatory criteria for granting an association license of the same breed as the host track, and shall have a heated and air-conditioned facility which meets all state and local life safety code requirements and seats a number of patrons at least equal to the average daily attendance for intertrack wagering on the requested breed in the county in which the track is located during the immediately preceding calendar year; and

(17) "Telephone account wagering" means a form of pari-mutuel wagering where an individual may deposit money in an account at a track and may place a wager by direct telephone call or by communication through other electronic media owned by the holder of the account to the track.

Section 12. KRS 230.215 is amended to read as follows:

(1) It is the policy of the Commonwealth of Kentucky, in furtherance of its responsibility to foster and to encourage legitimate occupations and industries in the Commonwealth and to promote and to conserve the public health, safety, and welfare, and it is hereby declared the intent of the Commonwealth to foster and to encourage the [~~thoroughbred~~] horse breeding industry within the Commonwealth and to encourage the improvement of the ***breeds*** [~~breed~~] of [~~thoroughbred~~] horses. Further, it is the policy and intent of the Commonwealth to foster and to encourage the business of legitimate ***horse*** [~~thoroughbred~~] racing with pari-mutuel wagering thereon in the Commonwealth on the highest possible plane. Further, it hereby is declared the policy and intent of the Commonwealth that all [~~thoroughbred~~] racing not licensed under ***this chapter*** [~~KRS 230.215 to 230.360 and Appaloosa racing not licensed under KRS 230.215 to 230.360 or 230.620 to 230.760~~] is a public nuisance and may be enjoined as such. Further, it is hereby declared the policy and intent of the Commonwealth that the conduct of ***horse*** [~~thoroughbred~~] racing [~~or Appaloosa racing at a thoroughbred race meeting~~], or the participation in any way in ***horse*** [~~thoroughbred~~] racing [~~or Appaloosa racing at thoroughbred race meetings~~], or the entrance to or presence where ***horse*** [~~thoroughbred~~] racing [~~and Appaloosa racing~~] is conducted, is a privilege and not a personal right; and that this privilege may be granted or denied by the commission or its duly approved representatives acting in its behalf.

(2) It is hereby declared the purpose and intent of ***this chapter*** [~~KRS 230.215 to 230.360~~] in the interest of the public health, safety, and welfare, to vest in the commission forceful control of ***horse*** [~~thoroughbred~~] racing [~~and Appaloosa racing at thoroughbred race meetings~~] in the Commonwealth with plenary power to

promulgate administrative [~~prescribe~~ ~~rules~~ ~~and~~] regulations ***prescribing*** [~~and~~] conditions under which all legitimate ***horse*** [~~thoroughbred~~] racing [~~and Appaloosa racing at thoroughbred race meetings~~] and wagering thereon is conducted in the Commonwealth so as to encourage the improvement of the ***breeds*** [~~breed~~] of ***horses*** [~~thoroughbreds~~] in the Commonwealth, to regulate and maintain ***horse*** [~~thoroughbred~~] racing [~~and Appaloosa racing~~] at ***horse*** [~~thoroughbred~~] race meetings in the Commonwealth of the highest quality and free of any corrupt, incompetent, dishonest, or unprincipled ***horse*** [~~thoroughbred racing or Appaloosa~~] racing practices, and to regulate and maintain ***horse*** [~~thoroughbred~~] racing [~~and Appaloosa racing~~] at [~~thoroughbred~~] race meetings in the Commonwealth so as to dissipate any cloud of association with the undesirable and maintain the appearance as well as the fact of complete honesty and integrity of ***horse*** [~~thoroughbred~~] racing [~~and Appaloosa racing~~] in the Commonwealth. In addition to the general powers and duties vested in the commission by ***this chapter*** [~~KRS 230.215 to 230.360~~], it is the intent hereby to vest in the commission the power to eject or exclude from association grounds or any part thereof any person, licensed or unlicensed, whose conduct or reputation is such that his presence on association grounds may, in the opinion of the commission, reflect on the honesty and integrity of ***horse*** [~~thoroughbred~~] racing or interfere with the orderly conduct of ***horse*** [~~thoroughbred~~] racing [~~or Appaloosa racing~~].

Section 13. KRS 230.218 is amended to read as follows:

(1) There is hereby established, under the general jurisdiction of the Kentucky [~~State~~] Racing Commission, a Backside Improvement Commission. This commission shall consist of four (4) members, three (3) of which shall be voting members and one (1) shall be a nonvoting member. The voting members shall be as follows: one (1) member appointed by the President Pro Tempore of the Kentucky Senate, one (1) member appointed by the Speaker of the Kentucky House of Representatives, and one (1) member appointed by the chairman of the Kentucky [~~State~~] Racing Commission. The nonvoting member shall be appointed by the Kentucky division of the Horsemen's Benevolent and Protective Association. The appointee of the chairman of the Kentucky [~~State~~] Racing Commission shall serve as chairman of the Backside Improvement Commission. The members of the commission shall serve without compensation, but shall be entitled to reimbursement for all expenses incurred in the discharge of official business.

(2) There is hereby created a trust and revolving fund for the Backside Improvement Commission, consisting of money allocated to the fund under the provisions of ***Section 8 of this Act*** [~~KRS 138.515~~], together with such other money as may be contributed to or allocated to the fund from all other sources. Money to the credit of the backside improvement fund at the end of each fiscal year shall not lapse but shall be carried forward in such fund to the succeeding fiscal year. The Backside Improvement Commission shall have the authority and may invest any and all funds received by the trust fund and interest earned by the investment of said funds in types of investments appropriate to the investment needs of the trust fund after having considered the financial return on authorized investment alternatives, the financial safety of investment alternatives and the impact of any authorized investments on the state's economy. The Backside Improvement Commission shall review the status of the trust fund investments quarterly and report its findings to the Finance and Administration Cabinet, the Kentucky [~~State~~] Racing Commission and the Legislative Research Commission.

(3) The Backside Improvement Commission shall employ [~~such~~] qualified personnel as may be required to assist the commission in carrying out the provisions of this section. ***These*** [~~Such~~] persons shall serve at the pleasure of the commission and compensation for [~~such~~] personnel shall be fixed by the commission. The compensation of [~~such~~] personnel and the necessary expenses incurred by the commission or by the committee in carrying out the provisions of this section shall be paid out of the backside improvement fund.

(4) The purpose of the fund shall be to improve the backside of ***thoroughbred*** racing associations averaging ***one million two hundred thousand dollars ($1,200,000)*** [~~nine hundred thousand dollars ($900,000)~~] or less pari-mutuel handle per racing day ***on live racing***. The Backside Improvement Commission shall use the backside improvement fund to promote, enhance, and improve the conditions of the backside of eligible racing associations. [~~Said~~] Conditions ***considered*** shall include but not be limited to the living and working quarters of backside employees.

(5) The Kentucky [~~State~~] Racing Commission shall ***promulgate administrative*** [~~adopt such rules and~~] regulations as may be necessary to carry out the provisions and purposes of this section.

Section 14. KRS 230.230 is amended to read as follows:

(1) The Governor shall appoint ***an executive director*** [~~a secretary~~] for the commission for a term of four (4) years [~~to run concurrently with commission appointments~~] and who may be removed in the same manner as a ***commissioner*** [~~member of the commission~~]. The ***executive director*** [~~secretary~~] shall possess the powers and perform the duties imposed upon him by ***this chapter*** [~~KRS 230.210 to 230.360~~], and such other duties as the commission may direct or prescribe. The ***executive director*** [~~secretary~~] shall ***cause to be kept*** [~~keep~~] a full record of all proceedings before the commission and shall preserve at its general office all books,

maps, records, documents, licenses, and other papers of the commission. All records of the commission shall be open to inspection by the public during regular office hours.

(2) The commission may employ an assistant ***executive director*** [~~secretary~~] and stenographers, clerks, and other personnel as it may deem necessary to efficiently operate its general office or any branch thereof. The commission shall fix the compensation of ***all*** [~~such~~] employees. Any member of the commission or the ***executive director,*** [~~secretary thereof~~] or any employee referred to in this section shall be reimbursed for expenses paid or incurred in the discharge of official business when approved by the commission. The compensation of the employees referred to in this section, ***except for the executive director,*** together with reimbursement of expenses incurred by [~~such~~] employees, a member of the commission or the ***executive director*** [~~secretary thereof~~], shall be paid from commission funds.

Section 15. KRS 230.240 is amended to read as follows:

(1) In addition to the employees referred to in KRS 230.230, the commission may employ, at reasonable compensation, stewards, supervisors of mutuels, veterinarians, inspectors, accountants, guards, and other employees deemed by the commission to be essential at or in connection with any ***horse*** [~~thoroughbred~~] race meeting and to the best interest of racing. The commission for the purpose of maintaining integrity and honesty in racing shall prescribe by ***administrative regulation*** [~~rule~~] the powers and duties of the persons employed under this section and qualifications necessary to competently perform their duties. In addition, the commission shall be responsible for seeing that racing officials employed under the provisions of this section shall have adequate training to perform their duties in a competent manner.

(2) The commission shall promulgate ***administrative*** [~~rules and~~] regulations for effectively preventing the use of improper devices, the administration of drugs or stimulants or other improper acts for the purpose of affecting the speed or health of horses in races in which they are to participate, and in connection therewith the commission is authorized to acquire, operate and maintain, or to provide by contract for the maintenance and operation of, a testing laboratory and related facilities, for the purpose of saliva, urine, or other tests, and to purchase supplies and equipment for and in connection with such laboratory or testing processes. The expense of the laboratory or other testing processes, whether furnished by contract or otherwise, together with all supplies and equipment used in connection therewith, shall be paid by the various associations licensed under ***this chapter*** [~~KRS 230.210 to 230.360~~] in ***the*** [~~such~~] manner and in [~~such~~] proportions as the commission ***shall*** [~~may~~] by ***administrative regulation*** [~~rule~~] provide.

(3) The compensation of the employees referred to in this section shall be paid by the licensee conducting the ***horse*** [~~thoroughbred~~] race meeting in connection with which ***the*** [~~said~~] employees are utilized or employed. The salary of the ***executive director*** [~~secretary~~] to the commission shall be prorated among and paid by the various associations licensed under ***this chapter*** [~~KRS 230.210 to 230.360~~] in the manner as the commission ***shall*** [~~may~~], by ***administrative regulation*** [~~rule~~], provide. The employees referred to in this section shall be deemed employees of the commission, and are paid by the licensee or association for convenience only.

(4) Each person, as a condition precedent to the privilege of receiving a license under ***this chapter*** [~~KRS 230.210 to 230.360~~] to conduct a ***horse*** [~~thoroughbred~~] race meeting, shall be deemed to have agreed that it ***shall*** [~~will~~] pay [~~such~~] expenses and compensation as provided in this section and as may be actually and reasonably incurred.

Section 16. KRS 230.260 is amended to read as follows:

The commission, in the interest of breeding or the improvement of ***breeds*** [~~the breed~~] of [~~thoroughbred~~] horses, shall have all powers necessary and proper to carry out fully and effectually the provisions of ***this chapter*** [~~KRS 230.210 to 230.360~~] including, but without limitation, the following:

(1) The commission is vested with jurisdiction and supervision over all ***horse*** [~~thoroughbred~~] race meetings in this Commonwealth and over all associations and all persons on association grounds and may eject or exclude therefrom or any part thereof, any person, licensed or unlicensed, whose conduct or reputation is such that his presence on association grounds may, in the opinion of the commission, reflect on the honesty and integrity of ***horse*** [~~thoroughbred~~] racing [~~or Appaloosa racing~~] or interfere with the orderly conduct of ***horse*** [~~thoroughbred~~] racing or [~~Appaloosa~~] racing at ***horse*** [~~thoroughbred~~] race meetings; provided, however, no persons shall be excluded or ejected from association grounds solely on the ground of race, color, creed, national origin, ancestry, or sex;

(2) The commission, its representatives and employees, may visit, investigate and have free access to the office, track, facilities or other places of business of any licensee for the purpose of satisfying itself that ***this chapter*** [~~KRS 230.215 to 230.374~~] and its administrative regulations are strictly complied with;

(3) The commission shall have full authority to prescribe necessary and reasonable administrative regulations and conditions under which [~~thoroughbred~~] horse racing [~~and Appaloosa racing~~] at a ***horse*** [~~thoroughbred~~] race meeting shall be conducted in this state and to fix and regulate the minimum amount of purses, stakes or awards to be offered for the conduct of any ***horse*** [~~thoroughbred~~] race meeting;

(4) Applications for licenses shall be made in the form, in the manner and contain information as the commission may, by administrative regulation, require. Fees for all licenses issued under KRS 230.310 shall be prescribed by and paid to the commission; [~~and~~]

(5) The commission shall establish by ***administrative*** regulation minimum fees for jockeys to be effective in the absence of a contract between an employing owner or trainer and a jockey. The minimum fees shall be no less than those of July 1, 1985;

(6) Any of the foregoing administrative regulations***, to the extent they are promulgated, shall*** [~~and conditions may~~] be ***promulgated*** [~~altered~~], amended, ***or*** repealed ***in conformity with KRS Chapter 13A*** [~~and published from time to time. All administrative regulations and conditions shall become effective thirty (30) days after the filing thereof with the legislative research commission unless the governor finds an emergency to exist in which event the same shall become effective immediately upon filing with the legislative research commission. The commission may, but shall not be required to, advertise any of its regulations either before or after filing~~];

(7) The commission may issue subpoenas for the attendance of witnesses before it and administer oaths to [~~such~~] witnesses whenever, in the judgment of the commission, it is necessary to do so for the effectual discharge of its duties;

(8) The commission shall have authority to compel any racing association licensed under ***this chapter*** [~~KRS 230.215 to 230.360~~] to file with the commission at the end of its fiscal year, a balance sheet, showing assets and liabilities, and an earnings statement, together with a list of its stockholders or other persons holding a beneficial interest in the association.

Section 17. KRS 230.265 is amended to read as follows:

(1) There is hereby created a panel, to be known as the Kentucky Equine Drug Research Council, to advise the commission on the conduct of equine drug research and testing commissioned by the ***Kentucky*** [~~state~~] Racing Commission. The council shall consist of nine (9) members appointed by the Governor. It is recommended that the Governor appoint one (1)veterinarian from a list of three (3) submitted by the Kentucky Association of Equine Veterinarians, one (1) horseman from a list of three (3) submitted by the Kentucky division of the Horsemen's Benevolent and Protective Association, one (1) pharmacologist from a list of three (3) submitted by the University of Kentucky, one (1) thoroughbred breeder from a list of three (3) submitted by the Kentucky Thoroughbred Owners and Breeders, Inc., one (1) legislator from a list of three (3) submitted by the Legislative Research Commission, one (1) representative of a licensed racing association chosen by the governor, one (1) member of the harness racing ***industry*** [~~commission~~] from a list of three (3) submitted by the chairman of the ***Kentucky*** [~~harness~~] Racing Commission, one (1) member from a list of three (3) submitted by the Kentucky [~~Division of the~~] Harness ***Horsemen's Association*** [~~Horsemen International~~], and one (1) member of the ***Kentucky*** [~~state~~] Racing Commission, from a list of three (3) submitted by the chairman of the ***Kentucky*** [~~state~~] Racing Commission, to serve as chairman. The council shall meet at the call of the chairman, a majority of the council or at the request of the commission. Members shall serve at the pleasure of their respective sponsoring organizations and shall receive no compensation for serving.

(2) The Kentucky Equine Drug Research Council shall review equine drug research and testing research being conducted at the University of Kentucky or with state funds and shall review and report to the commission on drug research and testing research being conducted elsewhere. The council shall advise the commission and make recommendations for establishing an effective drug regulatory policy for Kentucky racing. In addition, the council shall report to the General Assembly any needed changes regarding the regulation of drugs in ***horse*** [~~thoroughbred~~] racing in the Commonwealth of Kentucky.

(3) The commission shall receive one-tenth of one percent (.1%) of the total amount wagered ***on live racing*** in Kentucky deducted from the pari-mutuel tax levied in KRS 138.510 to be used in financing drug research and testing research in Kentucky, which shall be in addition to any funds appropriated to the commission for such purposes in the executive budget.

Section 18. KRS 230.280 is amended to read as follows:

No person shall hold or conduct any ***horse*** [~~thoroughbred~~] race meeting for any stake, purse, or reward within the commonwealth of Kentucky without securing the required license from the commission.

Section 19. KRS 230.290 is amended to read as follows:

All licenses granted under ***this chapter*** [~~KRS 230.210 to 230.360~~]:

(1) Shall be in writing;

(2) Shall be subject to all ***administrative*** [~~rules,~~] regulations and conditions as may from time to time be prescribed by the commission;

(3) Shall contain [~~such~~] conditions as may be considered necessary or desirable by the commission for purposes of ***this chapter*** [~~KRS 230.210 to 230.360~~]; and

(4) No license shall extend beyond the end of the calendar year for which it was issued, but the commission may renew any license and any [~~such~~] renewal shall not be construed to be a waiver or condonement of any violation which occurred prior to [~~such~~] renewal and shall not prevent subsequent proceedings against the licensee therefor.

Section 20. KRS 230.300 is amended to read as follows:

(1) Any person desiring to conduct ***horse*** [~~thoroughbred~~] racing [~~and Appaloosa racing~~] at a ***horse*** [~~thoroughbred~~] race meeting within the Commonwealth of Kentucky or to engage in simulcasting and intertrack wagering as a receiving track during any calendar year shall first apply to the commission for a license to do so. The application shall be filed at the commission's general office on or before June 1 with respect to applications to conduct live ***horse*** race meetings, and on or before October 1, with respect to intertrack wagering dates. The application shall specify the location of the track and the days on which racing or intertrack wagering, or both, is desired to be conducted or held and shall be in the form and contain such other information and data as the commission may, by ***administrative regulation*** [~~rule~~] require. [~~Nothing in KRS Chapter 230 shall be construed as requiring a track to obtain a license from more than one (1) commission.~~]

(2) The commission shall as soon as practicable, but in no event later than September 1 in any calendar year award dates for racing in the Commonwealth during the next year. ***In awarding dates, the commission shall consider and seek to preserve each track's usual and customary dates, as these dates are requested.*** Dates for the conduct of intertrack wagering shall be awarded as provided in KRS 230.377[~~(2)~~]. In the event scheduled racing is canceled by reason of flood, fire, or inclement weather, the commission may award after September 1 additional racing dates to make up for those dates canceled by [~~such~~] flood, fire, or inclement weather. The commission may issue ***a*** [~~such~~] license to conduct a ***horse*** [~~thoroughbred~~] race meeting to any association making the aforesaid application if the commission finds that the proposed conduct of racing by ***the*** [~~such~~] association would be in the best interest of the public health, safety, and welfare of the immediate community as well as to the Commonwealth, and if by reason of financial stability, track location, traffic flow, facilities for the public, facilities for racing participants and horses, character and reputation for honesty of all persons identified with the association, competence of proposed racing officials and association employees, absence of conflict with other race meetings in time and patronage area, sentiment of the community in which ***the*** [~~such~~] association proposes to conduct a race meeting, and capability to comply with the ***administrative*** [~~rules and~~] rulings of the commission, the licensing of ***the*** [~~such~~] association would serve to nurture, promote, develop, or improve the ***horse*** [~~thoroughbred~~] industry in the Commonwealth. As a condition precedent to the issuance of ***a*** [~~such~~] license, the commission may require a surety bond or other surety conditioned upon the payment of all taxes due the Commonwealth, together with the payment of operating expenses including purses and awards to owners of horses participating in races.

(3) Every license issued under ***this chapter*** [~~KRS 230.215 to 230.360~~] shall specify among other things the name of the person to whom issued, the address and location of the track where the ***horse*** [~~thoroughbred~~] race meeting to which it relates is to be held or conducted, and the days and hours of the day when the meeting will be permitted; provided, however, that no track which is granted overlapping dates for the conduct of a live race meeting with another ***horse*** [~~thoroughbred or harness~~] racing track within a fifty (50) mile radius shall be permitted to have a post time after 5:30 p.m., prevailing time for overlapping days between July 1 and September 15, unless agreed to in writing by the tracks affected.

(4) A license issued under this section is neither transferable nor assignable and shall not permit the conduct of a ***horse*** [~~thoroughbred~~] race meeting at any track not specified therein. However, if the track specified becomes unsuitable for [~~thoroughbred racing or Appaloosa~~] racing because of flood, fire, or other catastrophe, the commission may, upon application, authorize the meeting, or any remaining portion thereof, to be conducted at any other suitable track available for that purpose, provided that the owner of ***the*** [~~such~~] track willingly consents to the use thereof.

(5) ***Horse*** [~~Thoroughbred~~] racing dates may be awarded and licenses issued authorizing ***horse*** [~~thoroughbred~~] racing [~~and Appaloosa racing at a thoroughbred race meeting~~] on any day of the year. ***Horse*** [~~Thoroughbred~~] racing [~~or Appaloosa racing at thoroughbred race meetings~~] shall be held or conducted only between sunrise and midnight.

(6) The commission may at any time require the removal of any official or employee of any association in those instances where it has reason to believe that the official or employee has been guilty of any dishonest practice in connection with ***horse*** [~~thoroughbred~~] racing [~~or Appaloosa racing at a thoroughbred race meeting~~] or has failed to comply with any condition of his license or has violated any law or any ***administrative*** [~~rule or~~] regulation of this commission.

(7) Every ***horse*** [~~thoroughbred~~] race not licensed under this section [~~or Appaloosa race not licensed by this section or KRS 230.620 to 230.760~~] is hereby declared to be a public nuisance and the commission may obtain an injunction against the same in the Circuit Court of the county where the unlicensed race is proposed to take place.

Section 21. KRS 230.310 is amended to read as follows:

Every person not required to be licensed under KRS 230.300 who desires to participate in ***horse*** [~~thoroughbred~~] racing [~~or Appaloosa racing at a thoroughbred race meeting~~] in the Commonwealth as a horse owner, trainer, jockey, apprentice jockey, agent, stable employee, racing official, association employee, or employee of a person or concern contracting with the association to provide a service or commodity and which requires their presence on association grounds during a race meeting, or veterinarian, farrier, horse dentist, or supplier of food, tack, medication, or horse feed, shall first apply to the commission for a license to participate in ***the*** [~~such~~] activity on association grounds during a race meeting. No person required to be licensed by this section may participate in any activity required to be licensed on association grounds during a race meeting without a valid license therefor. An applicant for a license shall submit to the commission fingerprints as may be required and [~~such~~] other information [~~as may be~~] necessary and reasonable for processing a license application. The commission is authorized to exchange fingerprint data with the Kentucky state police and the Federal Bureau of Investigation in order to conduct a criminal history background check of an applicant. The commission may issue a license if it finds that the financial responsibility, age, experience, reputation, competence, and general fitness of the applicant to perform the activity permitted by a license, are consistent with the best interest of racing and the maintenance of the honesty, integrity, and high quality thereof. ***A*** [~~Such~~] license shall be issued for the calendar year in which it is issued and may be renewed by the commission. The license shall be valid at all ***horse*** [~~thoroughbred~~] race meetings in the Commonwealth during the period for which it is issued unless suspended or revoked under the ***administrative*** [~~rules and~~] regulations ***promulgated*** [~~prescribed~~] by the commission under this chapter. ***With respect to horse owners and trainers, the commission shall promulgate administrative regulations to facilitate and promote uniform, reciprocal licensing with other states.***

Section 22. KRS 230.320 is amended to read as follows:

(1) Every license granted under ***this chapter*** [~~KRS 230.210 to 230.360~~] is subject to revocation or suspension by the commission in any case where it has reason to believe that any provision of ***this chapter, administrative*** [~~KRS 230.210 to 230.374 or rule,~~] regulation, or condition of the commission affecting it has not been complied with or has been broken or violated. The commission in the interest of honesty and integrity of [~~thoroughbred~~] horse racing [~~and Appaloosa horse racing~~] may ***promulgate*** [~~prescribe~~] administrative regulations under which any license may be denied, suspended, or revoked.

(2) Any person alleged to have committed a violation under subsection (1) of this section may request a stay of imposition of the stewards' sanction. Pending appeal, a hearing on ***the*** [~~such~~] request for stay shall be held within forty-eight (48) hours of the receipt of the request for a stay by the commission. ***If*** [~~In the event~~] the commission is not able to hold a hearing within forty-eight (48) hours, the stay shall be automatically granted. It shall be the policy of the commission to grant stays, unless:

(a) In any case where a licensee is alleged to have committed a flagrant violation of the prescribed administrative regulations of racing which presents a clear and present danger to the immediate integrity of racing;[~~,~~] and

(b) Wherein it is impossible for the commission to secure necessary scientific evidence or indispensable witnesses within forty-eight (48) hours, then the commission or its designated hearing officer may refuse a request for the stay of any penalty imposed, as long as a hearing is held no later than thirty (30) days from the initial stewards' determination of a violation.

(3) If any license is denied, suspended, or revoked the commission shall state publicly its reasons for the suspension or revocation and shall cause an entry of ***the*** [~~such~~] reasons to be made on its record book. The action of the commission in denying, suspending, or revoking any license issued under ***this chapter*** [~~KRS 230.210 to 230.360~~] is final except that such action is subject to review by any court of competent jurisdiction. The action of the commission shall remain in full force and effect until reversed or modified by a valid order of ***the*** [~~such~~] court.

Section 23. KRS 230.355 is amended to read as follows:

(1) Any hearing authorized or required by ***this chapter*** [~~KRS 230.210 to 230.360~~] may be conducted by the commission, or may be conducted by a hearing officer appointed by the commission to serve in its place. [~~Such~~] A hearing shall be conducted in the name of the commission at any time or place designated by the chairman. The hearing officer may, in receiving evidence on behalf of the commission, make [~~such~~] rulings affecting the competency, relevancy, and materiality of evidence to be presented and upon motions presented during the taking of evidence as will expedite the preparation of the case. The commission may require the entire record to be certified to it for initial decision, and the hearing officer shall submit written findings of fact, conclusions of law and recommendations which shall be incorporated in and become a part of the record. In the absence of a requirement by the commission that a record be certified to it for initial decision, the hearing officer shall render a decision, and in the absence of either an appeal to the commission, or a review upon motion of the commission, the hearing officer's decision shall become the decision of the commission.

(2) A hearing officer may be a full-time employee, serve by contract, or be paid upon a per diem basis in the discretion of the commission.

Section 24. KRS 230.360 is amended to read as follows:

[~~(1) KRS 230.215 to 230.360 are not applicable to trotting or pacing meets or races conducted in this state nor to Appaloosa racing, quarter horse racing and Arabian racing licensed under KRS 230.620 to 230.760.~~

~~(2)~~] The provisions of ***this chapter*** [~~KRS 230.215 to 230.360~~] are intended to be statewide and exclusive in their effect and no city, county, or other political subdivision of state government shall have the power or authority to make or enforce any local laws, ordinances, or regulations on the subject of ***horse*** [~~thoroughbred~~] race meetings. Any person licensed under KRS 230.300 shall continue to pay, or be responsible for the payment of, all state taxes presently imposed by law, including but without limitation, license taxes imposed under KRS 137.170 to 137.190, and KRS 137.990 together with admission taxes imposed by KRS 138.480, and the pari-mutuel taxes imposed by KRS 138.510 to 138.550, and all state, as well as local, ad valorem taxes; provided, however, no tax shall be imposed by the state or any subdivision thereof upon, or measured by, that portion of the excise tax imposed upon pari-mutuel betting at running and trotting horse race tracks which is collected and retained by the operators thereof under the provisions of KRS 138.510 to 138.550, both inclusive.

Section 25. KRS 230.361 is amended to read as follows:

(1) The commission shall ***promulgate administrative regulations*** [~~adopt rules~~] governing and regulating mutuel wagering on ***horse*** [~~thoroughbred~~] races [~~and Appaloosa races at a thoroughbred race meeting~~] under what is known as the pari-mutuel system of wagering. Such wagering shall be conducted only by a person licensed under ***this chapter*** [~~KRS 230.215 to 230.360~~] to conduct a [~~thoroughbred~~] race meeting and only upon the licensed premises. The pari-mutuel system of wagering shall be operated only by a totalizator or other mechanical equipment approved by the commission. The commission shall not require any particular make of equipment.

(2) In no event shall the operation of a pari-mutuel system for betting where authorized by law constitute grounds for the revocation or suspension of any license issued and held under KRS 230.350.

(3) All reported but unclaimed pari-mutuel winning tickets held in this state by any person or association operating a pari-mutuel or similar system of betting at ***horse*** [~~thoroughbred~~] race meetings shall be presumed abandoned if not claimed by the person entitled thereto within two (2) years from the time the ticket became payable.

(4) The commission may issue a license to conduct pari-mutuel wagering on steeple chases or other racing over jumps; provided that all proceeds from such wagering, after expenses are deducted, be used for charitable purposes. If the dates requested for such a license have been granted to a track within a forty (40) mile radius of the race site, the commission may not issue a license until it has received written approval from the affected track. Pari-mutuel wagering licensed and approved under this subsection shall be limited to four (4) days per year. All racing and wagering authorized by this subsection shall be conducted in accordance with applicable administrative regulations of the commission.

Section 26. KRS 230.370 is amended to read as follows:

The commission may promulgate any reasonable and necessary ***administrative regulation*** [~~rules~~] for the enforcement of these provisions and hearings held before it.

Section 27. KRS 230.374 is amended to read as follows:

All sums reported and paid to the commission under the provisions of KRS 230.361 to 230.373***, with the exception of funds paid under KRS 230.398,*** shall be paid by the commission to the Kentucky Racing Health and Welfare Fund, Inc., a nonprofit charitable corporation, organized for the benefit, aid, assistance, and relief of owners, trainers, jockeys, valets, exercise boys, grooms, stable attendants, pari-mutuel clerks, and other racing personnel employed in connection with racing, and their wives and children, who can demonstrate their need for financial assistance connected with death, illness, or off-the-job injury and are not otherwise covered by union health and welfare plans, workers' compensation, social security, public welfare, or any type of health, medical, death, or accident insurance. ***These*** [~~Said~~] sums shall be paid on or before December 31 in each year, provided that no payments shall be made by the commission to the Kentucky Racing Health and Welfare Fund, Inc., unless the commission and the Auditor of Public Accounts are satisfied that the fund is in all respects being operated for the charitable and benevolent purposes as set forth above and that no part of the funds paid to the fund by the commission or any net earnings of the fund inure to the benefit of any private individual, director, officer, or member of the fund or any of the persons who turned over sums to the commission representing unclaimed pari-mutuel tickets.

Section 28. KRS 230.377 is amended to read as follows:

(1) Other provisions of the Kentucky Revised Statutes notwithstanding, a track may apply to ***the*** [~~its respective~~] commission [~~of jurisdiction~~] for simulcasting and intertrack wagering dates. Applications shall be submitted in accordance with KRS 230.300 [~~and 230.690~~]. ***No association shall be approved to participate in intertrack wagering as a receiving track unless it was duly licensed as a racing association as of July 15, 1992. No association shall be permitted to conduct intertrack wagering in a county other than the county in which they were licensed to conduct live racing as of July 15, 1992.***

(2) On or before November 1 of each year, the [~~Kentucky State Racing~~] commission [~~and the Kentucky Harness Racing Commission~~] shall meet [~~in joint session~~] and award [~~simulcasting and~~] intertrack wagering dates ***to all tracks*** for the entire succeeding calendar year.[~~, including dates for which a track has exercised its right of first refusal as follows: Except as provided in subsection (5) of this section,~~] In counties containing more than one (1) track, ***intertrack wagering dates shall be awarded as follows:***

(a) A receiving track of the same breed as the host track's breed [~~each track~~] shall have the right [~~of first refusal~~] to receive***, on an exclusive basis,*** [~~at least~~] sixty percent (60%) of the available intertrack wagering days, which shall not include the days in subsection (4) of this section, [~~of host tracks of the same breed as the receiving track~~] if the receiving track was licensed to conduct racing of that breed on or before January 1, 1990***; and***

(b) A receiving track of a different breed than the breed of the host track shall receive on an exclusive basis the remaining forty percent (40%) of the intertrack wagering dates not awarded by the commission under subsection (2)(a) of this section, and exclusive of days contained in subsection (4) of this section, if the receiving track was licensed to conduct racing of a different breed on or before January 1, 1990. Any unused intertrack wagering days or any intertrack wagering days not requested by and awarded to a receiving track of a different breed than the breed of the host track, shall be awarded to the receiving track of the same breed as the breed of the host track.

(3) Except in extraordinary circumstances, such as the need to accommodate a receiving track's sales activities or special events, intertrack wagering dates shall be awarded in weekly increments. The commission shall approve no more than nine (9) tracks for participation in intertrack wagering [~~Each track shall request the intertrack wagering dates which it desires in its application for intertrack wagering dates. The commissions shall approve no more than nine (9) tracks for participation in intertrack wagering. Each commission shall have one (1) vote. Each commission shall poll its members and a simple majority of members present and voting shall determine the vote of each commission. In the event a decision cannot be reached as to the balance of dates to be awarded, the Governor shall appoint an impartial arbitrator to resolve the impasse.~~

~~(3) For the balance of calendar year 1990 after March 30, 1990, the commissions shall award simulcasting and intertrack wagering dates in the following manner: tracks shall make application for 1990 dates within two (2) weeks of March 30, 1990. Within two (2) weeks following the application deadline, the commissions shall award dates. Dates awarded for 1990 shall not, however, abridge any contractual agreements entered into prior to March 30, 1990~~].

(4) A track may by ***administrative*** regulation be required to simulcast its races to one (1) or more receiving tracks approved for simulcasting and intertrack wagering, as a prerequisite for the issuance of a license pursuant to KRS 230.300 [~~and 230.690~~], provided that:

(a) Each track shall be permitted to exempt one (1) day of racing from simulcasting ***to both receiving tracks and simulcast facilities***, at its discretion;

(b) Tracks in a county containing a city of the first class and tracks in an urban-county government shall not be required to simulcast to one another or to any other facility in those counties. This provision shall not be construed as requiring tracks within the same county to simulcast to one another; and

(c) In the absence of a contract between a host track and a receiving track, the commission shall be split as provided for in KRS 230.378(3).

[~~(5) In a county with a population of less than one hundred fifty thousand (150,000) people and containing more than one (1) track, the track which conducts racing of the same breed as a host track shall have an exclusive right of first refusal for the simulcasts of such races. If the track conducting racing of the same breed does not receive the simulcasts, the other track in the county may do so and all tracks may receive the simulcasts if agreed to in writing by the tracks affected.~~]

(5)[~~(6)~~] A track may receive simulcasts ***and conduct interstate wagering on all thoroughbred horse races designated as graded stakes races by the Graded Stakes Committee of the Thoroughbred Owners and Breeders Association, Inc., or on all harness horse races with a purse in excess of seventy-five thousand dollars ($75,000) without further consents or approvals. A track may also receive simulcasts*** of special event races conducted in other states or foreign countries which are determined by the commission [~~of jurisdiction~~] to be of sufficient national or international significance or interest to warrant interstate wagering ***and if the simulcast of these races has been approved by the Kentucky Thoroughbred Owners and Breeders Association, Inc., the Kentucky Division of the Horseman's Benevolent and Protective Association, for thoroughbred races, and the Kentucky Harness Horsemen's Association for harness racing, and any track conducting live horse races of the same breed at the same time as the simulcast race***. All interstate simulcasting shall be conducted in accordance with applicable federal laws.

(6)[~~(7)~~] ***The*** [~~Each~~] commission [~~of jurisdiction~~] may promulgate necessary and reasonable administrative regulations for the purpose of administering the conduct of intertrack wagering and regulating the conditions under which [~~such~~] wagering shall be held and conducted. Administrative regulations shall provide for the prevention of practices detrimental to the public interest and to impose penalties for violations. All administrative regulations shall be in conformity with the provisions of KRS 138.510 ***and this chapter***[~~, 230.260, 230.320, 230.361, 230.374 to 230.379, 230.622, 230.750 and 230.770~~].

Section 29. KRS 230.378 is amended to read as follows:

(1) A receiving track may accept wagers only at the track where it is licensed to conduct its race meeting or conduct intertrack wagering. A receiving track may accept wagers through a telephone account wagering system. Wagers at a receiving track, ***simulcast facility***, or on telephone account wagering shall form a common pool with wagers at a host track. This common pool requirement shall not apply to wagers made in connection with interstate simulcasting pursuant to subsection ***(5)***[~~(6)~~] of KRS 230.377***; however, common pools shall be encouraged***.

(2) The commission of a receiving track, ***simulcast facility***, or on telephone account wagering shall be the same as the commission of the host track as determined in KRS 138.515 or 230.750.

(3) In the absence of a valid contract with a horsemen's organization, the commission of a receiving track, after deduction of applicable taxes and other applicable deductions, shall be split as follows: twenty-two percent (22%) to the host track, twenty-two percent (22%) to the purse program at the host track, twenty-two percent (22%) to the receiving track and twenty-two percent (22%) to the purse program at the receiving track. Twelve percent (12%) of the commission shall be allocated evenly between the host track and the receiving track to cover the cost of simulcasting, unless otherwise agreed to by contract.

(4) The deduction for the backside improvement fund, as provided for in KRS 138.515(4) and the deduction for equine drug research provided for in KRS 230.265(3), shall not apply to the commission or pari-mutuel tax of a receiving track or telephone account wagering.

(5) A receiving track shall be exempt from the admissions tax levied in KRS 138.480 and from any license fee imposed by statute or regulation by the commission [~~of jurisdiction~~].

Section 30. KRS 230.379 is amended to read as follows:

(1) A track may engage in telephone account wagering, ***if*** [~~provided that all telephone calls to place wagers be made to a location within the track enclosure, and provided that~~] all moneys used to place telephone account wagers ***are*** [~~be~~] on deposit in an amount sufficient to cover the wagers at the track where the account is opened. All moneys wagered by telephone account wagering shall be subject to the applicable pari-mutuel tax levied in KRS 138.510 and shall form a common pool with other pari-mutuel pools at the track for each posted race. The commission [~~of jurisdiction~~] shall have authority to promulgate necessary and reasonable administrative regulations to regulate the conduct of telephone account wagering, including regulations for the deposit of funds by credit or debit cards or other means of electronic funds transfer.

(2) A track shall accept and tabulate a telephone account wager only from the holder of a telephone wagering account. No person shall directly or indirectly act as an intermediary, transmitter or agent in the placing of wagers for a holder of a telephone wagering account. No person shall in any manner place a wager through telephone account wagering, on behalf of a holder of a telephone wagering account. Only the holder of a telephone wagering account shall place a telephone wager. Any person violating this subsection shall be guilty of a class A misdemeanor.

(3) Telephone account wagering conducted in accordance with the provisions of this section shall not be considered a violation of KRS 528.110.

Section 31. KRS 230.398 is amended to read as follows:

All sums reported and paid to the commission under the provisions of KRS ***230.361 to 230.373 by any licensee conducting a harness race meeting*** [~~230.386 or 230.387~~] shall be used by it for purses at harness racing events at county fairs within the Commonwealth of Kentucky that have been licensed and approved by it. The commission shall have the authority to ***promulgate administrative*** [~~adopt rules and~~] regulations as may be necessary for the conduct of ***these*** [~~such~~] races.

Section 32. KRS 230.400 is amended to read as follows:

(1) There is hereby created a trust and revolving fund for the Kentucky [~~State~~] Racing Commission, designated as the Kentucky thoroughbred development fund, consisting of money allocated to the fund under the provisions of KRS 138.510, together with [~~such~~] other money [~~as may be~~] contributed to or allocated to the fund from all other sources. Money to the credit of the Kentucky thoroughbred development fund shall be distributed by the Treasurer for the purposes ***of this section*** [~~herein provided~~] upon authorization of the Kentucky [~~State~~] Racing Commission and upon approval of the secretary of the Finance and Administration Cabinet. Money from the Kentucky thoroughbred development fund shall be allocated to each licensed association in an amount equal to the amount the association contributed to the fund. Money to the credit of the Kentucky thoroughbred development fund at the end of each fiscal year shall not lapse, but shall be carried forward in such fund to the succeeding fiscal year.

(2) There is hereby established, under the general jurisdiction of the Kentucky [~~State~~] Racing Commission, a Kentucky Thoroughbred Development Fund Advisory Committee. The advisory committee shall consist of five (5) members, all of whom shall be residents of Kentucky, to be appointed by the chairman of the Kentucky [~~State~~] Racing Commission by July 1 of each year. The committee shall consist of two (2) thoroughbred breeders recommended by the Kentucky Thoroughbred Owners and Breeders, Inc.; one (1) thoroughbred owner recommended by the Kentucky division of the Horsemen's Benevolent and Protective Association; one (1) officer or director of a licensed association conducting thoroughbred racing in Kentucky, recommended by action of all of the licensed associations conducting thoroughbred racing in Kentucky; and one (1) member of the Kentucky [~~State~~] Racing Commission. If any member other than the commission member has not been recommended for appointment by July 1 of each year, the chairman of the Kentucky [~~State~~] Racing Commission shall make an appointment for the organization or organizations failing to [~~so~~] recommend a member of the committee. The members of the advisory committee shall serve without compensation, but shall be entitled to reimbursement for all expenses incurred in the discharge of official business. The advisory committee shall select from its membership annually a chairman and a vice chairman.

(3) (a) The Kentucky Thoroughbred Development Fund Committee shall advise and assist the Kentucky [~~State~~] Racing Commission in the development of the supplemental purse program provided herein for Kentucky bred thoroughbreds, shall make recommendations to the commission from time to time with respect to the establishment of guidelines, ***administrative*** [~~rules and~~] regulations for the provision of [~~such~~] supplemental purses, the amount thereof, the races for which ***the*** [~~such~~] purses are to be provided and the conditions thereof, manner and method of payment of [~~such~~] supplemental purses, registry of thoroughbred stallions standing within the Commonwealth of Kentucky, registry of Kentucky bred thoroughbreds for purposes of this section, nature and type of forms and reports to be employed and required in connection with the establishment,

provision for, award and payment of [~~such~~] supplemental purses, and with respect to all other matters necessary in connection with the carrying out of the intent and purposes of this section.

(b) The Kentucky [~~State~~] Racing Commission shall employ [~~such~~] qualified personnel as may be required to assist the commission and the advisory committee in carrying out the provisions of this section. ***These*** [~~Such~~] persons shall serve at the pleasure of the commission and compensation for ***these*** [~~such~~] personnel shall be fixed by the commission. The compensation of ***these*** [~~such~~] personnel and the necessary expenses incurred by the commission or by the committee in carrying out the provisions of this section shall be paid out of the Kentucky thoroughbred development fund.

(4) The Kentucky [~~State~~] Racing Commission, with the advice and assistance of the Kentucky Thoroughbred Development Fund Advisory Committee, shall use the Kentucky thoroughbred development fund to promote, enhance, improve and encourage the further and continued development of the thoroughbred breeding industry in Kentucky by providing, out of the Kentucky thoroughbred development fund, supplemental purses for designated stakes, handicap, allowance, and nonclaiming maiden races contested at licensed thoroughbred race meetings in Kentucky, the awarding and payment of which supplemental purses shall be conditioned upon the winning or placing in ***designated*** [~~such~~] races by Kentucky bred thoroughbred horses. Any supplemental purse provided for a designated race shall be apportioned among the winning and placing horses in the same proportion as the stake or purse provided for ***the*** [~~such~~] race by the racing association. Winning or placing as used in this section shall include those horses finishing first, second, third and fourth in ***the*** [~~such~~] races. That portion of the supplemental purse provided for any [~~such~~] designated race for a winning or placing finish shall be awarded and paid to the owner of the horse so finishing only if ***the*** [~~such~~] horse is a Kentucky bred thoroughbred duly registered [~~as such~~] with the official registrar. Any portion of the supplemental purse which is not awarded and paid over shall be returned to the Kentucky thoroughbred development fund.

(5) (a) For purposes of this section, the term Kentucky thoroughbred stallion shall mean and include only a thoroughbred stallion standing the entire breeding season in Kentucky and registered as a Kentucky thoroughbred stallion with the official registrar of the Kentucky thoroughbred development fund.

(b) Except for thoroughbred horses foaled prior to January 1, 1980, the term Kentucky bred thoroughbreds for purposes of this section, shall mean and include only thoroughbred horses sired by Kentucky thoroughbred stallions foaled in Kentucky and registered as a Kentucky bred thoroughbred with the official registrar of the Kentucky thoroughbred development fund.

(c) Any thoroughbred horse foaled prior to January 1, 1980, may qualify as a Kentucky bred thoroughbred for purposes of this section if ***the*** [~~such~~] horse was foaled in Kentucky and if the sire of ***the*** [~~such~~] thoroughbred was standing at stud within Kentucky at the time of conception of such thoroughbred, provided ***the*** [~~such~~] thoroughbred is duly registered as a Kentucky bred thoroughbred with the official registrar of the Kentucky thoroughbred development fund.

(d) In order for an owner of a Kentucky sired thoroughbred to be eligible to demand, claim and receive a portion of a supplemental purse provided by the Kentucky thoroughbred development fund, the thoroughbred horse winning or placing in a designated race for which a supplemental purse has been provided by the Kentucky thoroughbred development fund must have been duly registered as a Kentucky bred thoroughbred with the official registrar of the Kentucky thoroughbred development fund prior to entry in ***the*** [~~such~~] race.

(6) (a) Kentucky Thoroughbred Owners and Breeders, Inc., is hereby recognized and designated as the sole official registrar of the Kentucky thoroughbred development fund for the purposes of registering Kentucky thoroughbred stallions and Kentucky bred thoroughbreds in accord with the terms of this section and ***any administrative*** [~~such rules and~~] regulations [~~as may be~~] promulgated by the Kentucky [~~State~~] Racing Commission. When a Kentucky bred thoroughbred is registered with the official registrar, the registrar shall be authorized to stamp the Jockey Club certificate issued for ***the*** [~~such~~] thoroughbred withthe seal of the registrar, certifying that the [~~said~~] thoroughbred is a duly qualified and registered Kentucky bred thoroughbred for purposes of this section. The registrar may establish and charge, with the approval of the commission, reasonable registration fees for its services in the registration of Kentucky thoroughbred stallions and in the registration of Kentucky bred thoroughbreds. Registration records of the registrar shall be public records and open to public inspection at all normal business hours and times.

(b) Any interested party aggrieved by the failure or refusal of the official registrar to register a stallion or thoroughbred as a Kentucky stallion or as a Kentucky bred thoroughbred shall have the right to file with the commission, within thirty (30) days of such failure or refusal of the registrar, petition seeking registration of ***the*** [~~such~~] thoroughbred. The commission shall promptly hear the matter de novo and issue its order directing the official registrar to register or not to register as it may be determined by the commission.

(7) The Kentucky [~~State~~] Racing Commission shall ***promulgate administrative*** [~~adopt such rules and~~] regulations as may be necessary to carry out the provisions and purposes of this section, including the ***promulgation of administrative regulations*** [~~adoption of such rules~~] and forms as may be appropriate for the proper registration of Kentucky stallions and Kentucky bred thoroughbreds with the official registrar, and shall administer the Kentucky bred thoroughbred program created hereby in a manner best designed to promote and aid in the further development of the thoroughbred breeding industry in Kentucky, to upgrade the quality of thoroughbred racing in Kentucky and to improve the quality of thoroughbred horses bred in Kentucky.

Section 33. KRS 230.443 is amended to read as follows:

No quarter horse or Appaloosa foaled by artificial insemination shall be eligible to race under the provisions of ***this chapter*** [~~KRS 230.620 to 230.760~~], but Arabian horses foaled by artificial insemination shall be eligible to race under the provisions of ***this chapter*** [~~KRS 230.620 to 230.760~~].

Section 34. KRS 230.750 is amended to read as follows:

[~~(1)~~] The commission, including the tax levied in KRS 138.510, deducted from the gross amount wagered by the person, corporation or association which operates a ***harness*** horse track under the jurisdiction of the commission at which betting is conducted through a pari-mutuel or other similar system shall not exceed eighteen percent (18%) of the gross amount handled on straight wagering pools and twenty-five percent (25%) of the gross amount handled on multiple wagering pools, plus the breaks, which shall be made and calculated to the dime. Multiple wagering pools shall include daily double, perfecta, double perfecta, quinella, double quinella, trifecta, and other types of exotic betting. [~~Effective July 1, 1990,~~] An amount equal to three percent (3%) of the total amount wagered and included in the commission of a ***harness*** host track shall be allocated by the ***harness*** host track in the following manner. Two percent (2%) shall be allocated to the host for capital improvements, promotions, including advertising, or purses, as the host track shall elect. Three-quarters of one percent (3/4 of 1%) shall be allocated to overnight purses. One-quarter of one percent (1/4 of 1%) shall be allocated to the Kentucky standardbred, quarterhorse, Appaloosa, and Arabian development fund. ***This*** [~~Such~~] allocation shall be made after deduction from the commission of the pari-mutuel tax but prior to any other deduction, allocation or division of the commission.

[~~(2) Each racing association licensed by the Kentucky~~ [Harness] ~~Racing Commission~~ ***to conduct a harness race meeting*** shall pay an amount equal to one-half of one percent (1/2 of 1%) of its commissions into a revolving fund to be known as the harness backside improvement fund, and created herein. The provisions of this subsection shall not, however, apply to any association which does not own its backside as of March 30, 1990. Moneys deposited to the fund shall be allocated back to ***harness*** racing associations in the same percentage paid in, for projects and programs to promote, enhance, and improve the condition of association backsides. The commission shall approve any backside improvement project financed in whole or in part by backside improvement funds.]

Section 35. KRS 230.760 is amended to read as follows:

No licensee conducting a race or meet hereunder, no member of the commission, judge, or assistant official appointed to act as such pursuant to ***this chapter*** [~~KRS 230.610 to 230.760~~], shall be liable for damages to any person, association, or corporation for any cause whatsoever arising out of or from the performance by ***the*** [~~such~~] licensee, commissioner, judge or assistant official of his duties and the exercise of his discretion with respect thereto, so long as he acted in good faith, without malice or improper motive.

Section 36. KRS 230.770 is amended to read as follows:

(1) There is hereby created a trust and revolving fund for the Kentucky [~~harness~~] Racing Commission, designated as the Kentucky standardbred, quarter horse, Appaloosa and Arabian development fund, consisting of money allocated to the fund under the provisions of KRS 138.510, together with ***any*** [~~such~~] other money [~~as may be~~] contributed to or allocated to the fund from all other sources. For the purposes of this section, "development fund" or "fund" means the Kentucky standardbred, quarter horse, Appaloosa and Arabian development fund. Money to the credit of the development fund shall be distributed by the Treasurer for the purposes [~~herein~~] provided ***in this section,*** upon authorization of the Kentucky [~~Harness~~] Racing Commission and upon approval of the secretary of the Finance and Administration Cabinet. Money to the credit of the fund at the end of each fiscal year shall not lapse, but shall be carried forward in the fund to the succeeding fiscal year.

(2) The Kentucky [~~Harness~~] Racing Commission shall use the development fund to promote races, and to provide purses for [~~such~~] races, for horses sired by stallions standing within the Commonwealth of Kentucky or as provided in subsection (2)(b) of this section. For purposes of this section, the term stallions standing

within the Commonwealth of Kentucky shall include only stallions standing the entire breeding season within the Commonwealth of Kentucky and registered [~~as such~~] with the Kentucky [~~Harness~~] Racing Commission.

(a) The commission shall provide for distribution of money to the credit of the development fund to persons, corporations or associations operating licensed standardbred race tracks within Kentucky on an equitable basis, for the purpose of conducting separate races for two and three year old fillies and colts, both trotting and pacing, sired by standardbred stallions standing within the Commonwealth of Kentucky at the time of conception [~~thereof~~].

Notwithstanding other provisions hereof, a filly or colt foaled prior to January 1, 1978 shall be eligible to participate in races, a part of the purse for which is provided by money of the development fund, if the sire of ***the*** [~~such~~] filly or colt was standing at stud within the Commonwealth of Kentucky at the time of conception [~~of such filly or colt~~].

(b) The commission shall provide for distribution of money to the credit of the development fund to persons, corporations or associations operating licensed racetracks within Kentucky conducting quarter horse, Appaloosa or Arabian racing, on an equitable basis as determined by the commission.

(3) Money distributed from the development fund to licensed standardbred race tracks within the Commonwealth shall be used exclusively to promote races and provide purses for races conditioned to admit only standardbred colts and fillies sired by standardbred stallions standing within the Commonwealth of Kentucky.

(4) The Kentucky [~~Harness~~] Racing Commission shall fix the amount of money to be paid from the development fund to be added to the purse provided for each race by the licensed operator of the race track; shall fix the dates and conditions of races to be held by licensed race tracks; and shall ***promulgate*** [~~adopt~~] administrative regulations necessary to carry out the provisions of this section. Money from the fund shall be allocated to each breed of horse represented in the fund in an amount equal to the amount the breed has contributed to the fund.

(5) The Kentucky [~~Harness~~] Racing Commission may ***promulgate*** [~~adopt~~] administrative regulations necessary to determine the eligibility of horses for entry in races for which a portion of the purse is provided by money of the development fund, including administrative regulations for the registration of stallions standing within Kentucky and progeny thereof, including registration of progeny of the stallions foaled prior to June 19, 1976.

(6) The Kentucky [~~Harness~~] Racing Commission shall appoint qualified personnel necessary to supervise registration of, or determination of eligibility of, horses entitled to entry in races, a portion of the purse of which is provided by the development fund, to assist the commission in determining the conditions, class and quality of the fund supported race program to be established hereunder so as to carry out the purposes of this section. ***These*** [~~Such~~] persons shall serve at the pleasure of the commission and compensation shall be fixed by the commission. The compensation of [~~such~~] personnel and necessary expenses shall be paid out of the development fund.

The commission shall ***promulgate*** [~~adopt~~] administrative regulations to carry out the provisions of this section, and shall administer the Kentucky sire stakes program created hereby in a manner best designed to promote and aid in the development of the horse industry in Kentucky; to upgrade the quality of racing in Kentucky; and to improve the quality of horses bred in Kentucky.

Section 37. KRS 230.990 is amended to read as follows:

(1) Any person who violates KRS 230.070 or subsection (3) of KRS 230.080 shall be fined not more than one thousand dollars ($1,000). In addition to the fine, he shall be imprisoned in the county jail for not more than one (1) year or imprisoned in the penitentiary for not more than two (2) years.

(2) Any person who violates KRS 230.090 shall, for each offense, be fined not more than five hundred dollars ($500) or imprisoned for not more than six (6) months, or both fined and imprisoned.

(3) Any person who violates KRS 230.680 shall be fined not less than five hundred dollars ($500) nor more than one thousand dollars ($1,000) for each day of the meeting or racing.

(4) Any person who refuses to make any report or to turn over sums as required by KRS 230.361 to 230.373 shall be fined not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000), or imprisoned for not less than thirty (30) days nor more than six (6) months, or both.

(5) Any person failing to appear before the commission at the time and place specified in the summons issued pursuant to KRS 230.260(7), or refusing to testify, shall be deemed guilty of a misdemeanor and upon conviction by a court of competent jurisdiction shall be punished by a fine of not more than one thousand dollars ($1,000) or by imprisonment for not more than six (6) months, or both. False swearing on the part of any witness shall be deemed perjury and punished as such.

Section 38. KRS 12.020 is amended to read as follows:

Departments, program cabinets and their departments, and the respective major administrative bodies that they include are enumerated in this section. It is not intended that this enumeration of administrative bodies be all-inclusive. Every authority, board, bureau, interstate compact, commission, committee, conference, council, office, or any other form of organization shall be included in or attached to the department or program cabinet in which they are included or to which they are attached by statute or statutorily-authorized executive order, provided, however, in the case of the Personnel Board, and where the attached department or administrative body is headed by a constitutionally elected officer, such attachment shall be solely for the purpose of dissemination of information and coordination of activities and shall not include any authority over the functions, personnel, funds, equipment, facilities, or records of such department or administrative body.

I. Cabinet for General Government - Departments headed by elected officers:

   1. The Governor.

   2. Lieutenant Governor.

   3. Department of State.

      (a) Secretary of State.

      (b) Board of Elections.

   4. Department of Law.

      (a) Attorney General.

   5. Department of the Treasury.

      (a) Treasurer.

   6. Department of Agriculture.

      (a) Commissioner of Agriculture.

      (b) Kentucky Council on Agriculture.

   7. Superintendent of Public Instruction.

   8. Auditor of Public Accounts.

   9. Railroad Commission.

II. Program cabinets headed by appointed officers:

   1. Justice Cabinet:

      (a) Department of State Police.

      (b) Department of Criminal Justice Training.

      (c) Office of Administration.

   2. Education and Humanities Cabinet:

      (a) Department of Education.

        (1) State Board for Elementary and Secondary Education.
        (2) Education Professional Standards Board.
    (b) Department for Libraries and Archives.
    (c) Kentucky Educational Television.
    (d) Kentucky Historical Society.
    (e) Kentucky Teachers' Retirement System Board of Trustees.

3. Natural Resources and Environmental Protection Cabinet:
    (a) Environmental Quality Commission.
    (b) Kentucky Nature Preserves Commission.
    (c) Department for Environmental Protection.
    (d) Department for Natural Resources.
    (e) Department for Surface Mining Reclamation and Enforcement.
    (f) Department of Law.
    (g) Office of Communications and Community Affairs.

4. Transportation Cabinet:
    (a) Department of Highways.
    (b) Department of Vehicle Regulation.
    (c) Department of Administrative Services.
    (d) Department of Fiscal Management.
    (e) Department of Rural and Municipal Aid.
    (f) Office of Aeronautics.
    (g) Office of General Counsel.
    (h) Office of Public Relations.
    (i) Office of Personnel Management.
    (j) Office of Minority Affairs.

5. Cabinet for Economic Development:
    (a) Department for Existing Business and Industry.
    (b) Department of the Arts.
    (c) Tobacco Research Board.
    (d) Kentucky Development Finance Authority.
    (e) Office of Business and Technology.
    (f) Office of Industrial Development.

6. Public Protection and Regulation Cabinet:

(a) Public Service Commission.

(b) Department of Insurance.

(c) Department of Housing, Buildings and Construction.

(d) Department of Financial Institutions.

(e) Department of Mines and Minerals.

(f) Department of Public Advocacy.

(g) Department of Alcoholic Beverage Control.

(h) Kentucky [~~Harness~~] Racing Commission.

(i) [~~Kentucky State Racing Commission.~~

~~(j)~~] Registry of Election Finance.

(j)[~~(k)~~] Board of Claims.

(k)[~~(l)~~] Crime Victims Compensation Board.

(l)[~~(m)~~] Kentucky Board of Tax Appeals.

(m)[~~(n)~~] Backside Improvement Commission.

7. Cabinet for Human Resources:

(a) Department for Health Services.

(b) Department for Employment Services.

(c) Department for Social Insurance.

(d) Department for Social Services.

(e) Department for Medicaid Services.

(f) Department for Mental Health and Mental Retardation Services.

(g) Unemployment Insurance Commission.

(h) Commission for Handicapped Children.

(i) Public Assistance Appeals Board.

(j) Office of Administrative Services.

(k) Office of Communications.

(l) Office of General Counsel.

(m) Office of Inspector General.

(n) Office of Policy and Budget.

(o) Office of the Ombudsman.

8. Finance and Administration Cabinet:

(a) Office of Legal and Legislative Services.

(b) Office of Management and Fiscal Affairs.

(c) Office of Historic Properties.

(d) Office of Financial Management and Economic Analysis.

(e) Office of Risk Management.

(f) Department for Administration.

(g) Department of Facilities Management.

(h) Department of Information Systems.

(i) State Property and Buildings Commission.

(j) Kentucky Pollution Abatement Authority.

(k) Kentucky Savings Bond Authority.

(l) Deferred Compensation Systems.

(m) Office of Equal Employment Opportunity Contract Compliance.

(n) Capital Plaza Authority.

(o) County Officials Compensation Board.

(p) Financial Disclosure Review Commission.

(q) Kentucky Employees Retirement Systems.

(r) Commonwealth Credit Union.

(s) State Investment Commission.

(t) Kentucky Housing Corporation.

(u) Governmental Services Center.

(v) Kentucky Local Correctional Facilities Construction Authority.

(w) Kentucky Turnpike Authority.

(x) Historic Properties Advisory Commission.

9. Corrections Cabinet:

(a) Parole Board.

(b) Commission on Corrections and Community Services.

(c) Department of Adult Correctional Institutions.

(d) Department of Community Services and Facilities.

(e) Office of Administrative Services.

(f) Office of Corrections Training.

(g) Office of General Counsel.

10. Labor Cabinet:

(a) Department of Workplace Standards.

(b) Department of Workers' Claims.

(c) Kentucky Labor-Management Advisory Council.

(d) Occupational Safety and Health Standards Board.

(e) Prevailing Wage Review Board.

(f) Workers' Compensation Board.

(g) Kentucky Employees Insurance Association.

(h) Apprenticeship and Training Council.

(i) State Labor Relations Board.

(j) Kentucky Occupational Safety and Health Review Commission.

(k) Office of Administrative Services.

(l) Office of Labor Management Relations.

(m) Office of General Counsel.

11. Revenue Cabinet:

(a) Department of Property Taxation.

(b) Department of Tax Compliance.

(c) Department of Administrative Services.

12. Tourism Cabinet:

(a) Department of Travel Development.

(b) Department of Parks.

(c) Department of Fish and Wildlife Resources.

(d) Kentucky Horse Park Commission.

(e) State Fair Board.

(f) Office of Administrative Services.

(g) Office of General Counsel.

13. Cabinet for Workforce Development:

(a) Department for Adult and Technical Education.

(b) Department of Vocational Rehabilitation.

(c) Department for the Blind.

(d) State Board for Adult and Technical Education.

(e) Governor's Council on Vocational Education.

(f) Governor's Commission on Literacy.

(g) The State Board for Proprietary Education.

(h) The GED Foundation.

(i) The Kentucky Occupational Information Coordinating Committee.

(j) The Kentucky Job Training Coordinating Council.

III. Other departments headed by appointed officers:

1. Department of Military Affairs.
2. Department of Personnel.
3. Council on Higher Education.
4. Department of Local Government.
5. Kentucky Commission on Human Rights.
6. Kentucky Commission on Women.

Section 39. KRS 48.315 is amended to read as follows:

(1) The General Assembly may provide in a budget bill for the transfer to the general fund for the purpose of the general fund all or part of the agency funds, special funds, or other funds established under the provisions of KRS 15.430; 16.565; 21.347; 21.540; 21.560; 42.500; 47.010; 48.010(g); 56.100; 61.470; 61.580; 64.345; 64.350; 64.355; 78.650; 95A.220; 136.392; 138.510; 150.150; 154.150; 161.420; 161.430; 164A.020; 164A.110; 164A.800; 164A.810; 216A.110; 230.218; [~~230.398;~~] 230.400; 230.770; 235.330; 248.540; 248.550; 278.130; 278.150; 287.485; 304.35-030; 311.450; 311.610; 312.019; 313.350; 314.161; 315.195; 316.210; 317.530; 317A.080; 319.131; 320.360; 321.320; 322.290; 322.330; 322.420; 323.080; 323.190; 323.210; 323A.060; 323A.190; 323A.210; 324.286; 324.410; 325.250; 326.120; 327.080; 330.050; 334.160; 334A.120; 335.140; 342.122; 342.480, etc.

(2) The transfer of moneys from the agency funds, special funds, or other funds to the general fund provided for in subsection (1) of this section shall be for the period of time specified in the budget bill.

(3) Any provisions of any statute in conflict with the provisions of subsections (1) and (2) of this section are hereby suspended or modified. ***Any*** [~~Such~~] suspension or modification shall not extend beyond the duration of the budget bill.

Section 40. The following KRS sections are repealed:

230.220 Kentucky state racing commission — Membership — Terms — Compensation — Office — Open meetings — Quorum.

230.376 Definitions.

230.385 Regulation of pari-mutuel wagering.

230.386 Report of unclaimed pari-mutuel tickets presumed abandoned.

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HB 753, AN ACT relating to local option elections.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 242.020 is amended to read as follows:

(1) A petition for an election shall be signed by a number of constitutionally qualified voters of the territory to be affected, equal to twenty-five percent (25%) of the votes cast in the territory at the last preceding general election. The petition may consist of one (1) or more separate units, and shall be filed with the county clerk. ***Each page of the petition shall contain a heading stating the purpose of the petition.***

(2) The petition for election, in addition to the name of the voter, shall state also his residence address, Social Security number or date of birth, and the correct date upon which his name was signed.

(3) ***The petition shall be filed within one hundred eighty (180) days of the earliest date upon which it was signed.***

(4) No signer may withdraw his name or have it taken from the petition after the petition has been filed. If the name of any person has been placed on the petition for election without his authority, he may appear before the county judge/executive before the election is ordered and upon proof that his name was placed on the petition without his authority, his name may be eliminated by an order of the county judge/executive. When his name has been eliminated, he shall not be counted as a petitioner.

(5)[~~(4)~~] After a petition for election has been filed, the county judge/executive shall make an order on the order book of the court directing an election to be held in that territory.

HB 769, AN ACT relating to auctioneers, auctions, and auction house operators.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 330.020 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Apprentice auctioneer" means any person who is employed, directly or indirectly, by an auctioneer to deal or engage in any activity in subsection (2);

(2) "Auctioneer" means any person who offers, negotiates or attempts to negotiate a listing contract, sale, purchase or exchange of goods, chattels, merchandise, real or personal property, or of any other commodity which may lawfully be kept or offered for sale by or at public auction, or who sells the same at auction;

(3) "Board" means the board of auctioneers;

(4) "Goods" means any chattels, goods, merchandise, real or personal property, or commodities of any form or type which may be lawfully kept or offered for sale;

(5) "Persons" includes individuals, associations, partnerships, and corporations, and the word "persons" shall also include the officers, directors, and employees of a corporation;

(6) "Auction house" means any commercial establishment at which goods are regularly or customarily offered for sale or sold at public auction, or at which goods are customarily or regularly deposited and accepted, on consignment or otherwise, for sale at public auction at a fixed location, except those establishments which limit goods sold to thoroughbred horses or any interests therein, including, but not limited to, shares and seasons, or tobacco and certified fixed-base livestock markets;

(7) "Auction house operator" means the individual principally or ultimately responsible for the operation of an auction house, or in whose principal interest the establishment is operated.

(8) "Livestock auctioneer" means any auctioneer limiting his professional activities to the sale of livestock at fixed based livestock yards operating under the control and guidance of the United States of America pursuant to the Federal Packers and Stockyards Act.

(9) "Tobacco auctioneer" means any auctioneer limiting his professional activities to the sale of tobacco at fixed based tobacco warehouses operating under the control and guidance of the United States of America through its Department of Agriculture.

Section 2. KRS 330.035 is amended to read as follows:

(1) [~~Beginning January 1, 1991,~~] It shall be unlawful for any person to act as an auction house operator, or to assume to act as one within the Commonwealth, without a license issued by the board.

(2) An auction house operator may be, but is not required to be a licensed auctioneer or apprentice auctioneer, unless he acts as one. ***If licensed as an auctioneer no additional license shall be required of him*** [~~However, the license requirement for an auction house operator is in addition to any license requirement which may be imposed elsewhere in this chapter~~].

(3) If an auction house operator conducts and operates more than one (1) auction house, only one (1) auction house operator license shall be required of him, but the appropriate license issuance fee, the appropriate license renewal fee, and recovery fund fee shall be imposed for each location.

SECTION 3. A NEW SECTION OF KRS CHAPTER 330 IS CREATED TO READ AS FOLLOWS:

(1) Beginning July 1, 1993, the Board of Auctioneers shall have the option, at its discretion, of issuing a limited license to livestock auctioneers, in lieu of an auctioneer license. An applicant for a limited license shall be subject to all of the provisions of this chapter and shall apply for and renew his license as auctioneers do, and shall pay the same fees. Applicants, if licensed by the Board of Auctioneers, shall strictly limit professional activities to those of a livestock auctioneer.

(2) Beginning July 1, 1993, the Board of Auctioneers shall have the option, at its discretion, of issuing a limited license to tobacco auctioneers, in lieu of an auctioneer license. An applicant for a limited license shall be subject to all the provisions of this chapter, and shall apply for and renew his license as auctioneers do, and shall pay the same fees. Applicants, if licensed by the board, shall strictly limit professional activities to those of a tobacco auctioneer.

Section 4. KRS 330.050 is amended to read as follows:

(1) There is hereby created a Board of Auctioneers. The Governor shall appoint a board consisting of five (5) members, all of whom immediately prior to the date of their appointment have been residents of the Commonwealth of Kentucky for five (5) years, and four (4) whose vocation for a period of at least five

(5) years has been that of an auctioneer. One (1) member shall be a citizen at large who is not associated with or financially interested in the practice or business regulated. The term of the members of the board shall be for three (3) years and until their successors are appointed and qualified. Members to fill vacancies shall be appointed for the unexpired term.

(2) At no time shall there be more than three (3) members of the same political faith on the board. Whenever there is a vacancy on the board, the Kentucky Auctioneer Association shall recommend to the Governor at least three (3) names for each auctioneer vacancy, and such appointment or appointments shall be made from the recommendations of the association.

(3) The board, immediately upon qualification of the member appointed in each year, shall organize by selecting from its members a chairman.

(4) Each member of the board shall receive the sum of one hundred dollars ($100) per day as full compensation for each day actually spent on the work of the board and his actual and necessary expenses incurred in the performance of duties pertaining to his office.

(5) The board shall have full authority to employ, and discharge, any personnel, including counsel, as it may deem necessary to efficiently administer and enforce the provisions of this chapter, and it shall outline the duties and fix the compensation of such persons, provided that compensation shall be comparable to the salaries paid other state employees, if any, which the board may deem to be doing similar work. The board shall obtain office space, furniture, stationery, and any other proper supplies and conveniences reasonably necessary to carry out the provisions of this chapter. If any items deemed to be reasonably necessary by or which are required by the board are available through vendors under contract with the Commonwealth of Kentucky at less cost than if obtained otherwise, then the items shall be acquired pursuant to the contract. The board shall have full authority to obtain for its members, staff, and employees complete insurance coverage, including, but not limited to, liability and errors and omissions insurance, so long as such insurance concerns the business of the board.

(6) All fees and charges collected by the board under the provisions of this chapter shall be paid into the State Treasury through the Finance and Administration Cabinet and shall be credited to an agency-fund account for the Board of Auctioneers under the provisions of KRS 45.253 and shall be withdrawn or expended as provided in that section, if such payment, credit, withdrawal or expense provisions do not conflict with any provision of this chapter. The total expenses for all purposes and obligations of the board shall not exceed the total fees, charges, fines, penalties, and other income imposed under the provisions of this chapter and paid into the state treasury. The board shall be financially self-sustaining, and if funds permit it may underwrite, within its financial limitations, educational programs for the enlightenment and benefit of all ***licensees*** [~~auctioneers and apprentice auctioneers~~] who have paid fees pursuant to this chapter.

(7) The board shall annually publish a list of the names and addresses of all auctioneers, apprentice auctioneers***, livestock auctioneers, tobacco auctioneers,*** and auction house operators licensed by it pursuant to this chapter. This list shall also contain the names of all persons whose licenses have been suspended or revoked within the preceding year, as well as any other information relative to the enforcement of the provisions of this chapter that the board may deem of interest to the public.

(8) The board may from time to time promulgate necessary administrative regulations.

Section 5. KRS 330.060 is amended to read as follows:

(1) ***Any*** [~~Auctioneer, apprentice auctioneer and auction house operator~~] licenses ***issued pursuant to this chapter*** shall be granted only to persons who are found to be of good repute, trustworthy and competent to transact the business ***for which the license was granted*** [~~of an auctioneer, an apprentice auctioneer or an auction house operator~~] in such a manner as to safeguard the interest of the public.

(2) The board is authorized to require information from every applicant to determine the applicant's honesty and truthfulness.

(3) In addition to proof of honesty, truthfulness, and good reputation, an examination, conducted by the board or its authorized representative shall be held four (4) times each year, and an examination fee of seventy-five dollars ($75) shall be collected from each applicant for apprentice auctioneer and an examination fee of one hundred dollars ($100) shall be collected from each applicant for auctioneer and from each applicant for ***livestock auctioneer, tobacco auctioneer, and*** auction house operator. Examination fees shall be nonrefundable and shall defray the expenses of processing the application and of conducting the examination. The examinations for auctioneer and apprentice auctioneer shall include questions on ethics, reading, writing, spelling, elementary arithmetic, elementary principles of land economics, and a general knowledge of the

statutes of Kentucky relating to the bulk sales law, deeds, mortgages, contracts of sale, agency, leases, auctions, brokerage, and the provisions of this chapter. The examination for an auctioneer's license shall be of a more exacting nature and scope than the examination for an apprentice auctioneer. The examination for auction house operator license shall include those areas of knowledge which, in the discretion of the board, are appropriate to those seeking to operate auction houses. ***The examinations for livestock auctioneer and tobacco auctioneer shall include those areas of knowledge which, in the discretion of the board, are appropriate to those seeking a professional license to operate in those limited fields.***

(4) However, no examination shall be required for the renewal of any present or future license, unless such license has been revoked, suspended, or is allowed to expire without renewal. In any of these cases, the board may, in its discretion, require the applicant to take and pass the written examination before a new license may be issued.

(5) The provisions of subsection (3) of this section requiring applicants to pass a written examination to obtain a license shall not apply to an auctioneer or apprentice auctioneer furnishing satisfactory proof to the board that he actively engaged in the auction business for a period of at least one (1) year prior to June 14, 1962, and that he has been the principal auctioneer in at least five (5) auctions of either real or personal property during this period of time. Such an applicant shall file his application and proof with the board no later than October 1, 1962, and the application and proof shall be accompanied by a bond and license fee in accordance with the provisions of this chapter; provided, however, that a nonresident tobacco auctioneer may qualify by December 1, 1962.

(6) The provisions of subsection (3) of this section requiring applicants for auction house operator to pass a written examination shall not apply to an auction house operator furnishing satisfactory proof to the board that he was actively engaged as an auction house operator at a fixed location for a period of at least two (2) years prior to January 1, 1991, at which at least twenty (20) auction sales were conducted during that period. Such an applicant shall file his application and proof with the board no later than February 1, 1991.

Section 6. KRS 330.070 is amended to read as follows:

(1) In addition to the other qualifications provided for by this chapter, every applicant for ***any license issued by the board*** [~~an auctioneer's license or an auction house operator's license~~] shall be at least eighteen (18) years of age. In addition, but subject to the provisions of KRS 330.090, an applicant for an auctioneer's license shall possess a current Kentucky apprentice auctioneer's license and shall have served a bona fide apprenticeship for a period of ***two (2) years*** [~~one (1) year~~] as an apprentice auctioneer in Kentucky***, provided that any applicant for auctioneer's license whose apprentice license was granted prior to August 1, 1992; shall be required to serve an apprenticeship of but one (1) year.*** An applicant for an auctioneer's license who has previously held an auctioneer's license which has been revoked, suspended or which has expired without renewal may request, and the board may grant, a waiver of the requirement of possession of a current apprentice license. In addition, [~~effective on and after January 1, 1985,~~] every applicant for auctioneer's license shall have been the recipient of an accredited high school diploma or the equivalent. Every application for a license, whether as an auctioneer, apprentice auctioneer, ***livestock auctioneer, tobacco auctioneer,*** or auction house operator, shall be submitted on forms prepared by the board.

(2) [~~Every applicant for any license issued under this chapter shall be at least eighteen (18) years of age.~~] In addition to other requirements imposed by this chapter, ***any*** [~~the~~] applicant shall furnish pertinent background data as outlined on the application forms furnished by the board.

(3) ***(a)*** The issuance fee for each [~~auctioneer's, apprentice auctioneer's, and auction house operator's~~] license ***issued pursuant to this chapter*** shall be not more than ***one hundred dollars ($100)*** [~~fifty dollars ($50)~~] and the annual renewal fee for each license shall be not more than ***one hundred dollars ($100)*** [~~fifty dollars ($50)~~]. All licenses shall expire on June thirtieth of each year. In the absence of any reason or condition which might warrant the refusal of the renewing of the license, and upon timely receipt of the written request of the applicant and the annual fee therefor, the board shall issue a new license for each ensuing year.

(b) Beginning with the renewal of licenses expiring on or after June 30, 1993, the board may require as a condition precedent to the renewal of any license, that all licensees complete continuing auction education up to ten (10) hours per year per licensee. The board may impose different continuing auction education requirements, or none, upon different classifications of licensees under this chapter.

(4) The board shall prepare and deliver to each licensee a license certificate and pocket card. The certificate shall be displayed conspicuously at all times in the office of the licensee. The certificate and pocket card of the apprentice auctioneer shall contain the name and address of the auctioneer under whose supervision he is employed.

(5) When any apprentice auctioneer is discharged or terminates his employment with the auctioneer for any reason, it shall be the immediate duty of the auctioneer to deliver or mail by certified mail, return receipt requested, to the board the license of the apprentice auctioneer. It shall be unlawful for any apprentice auctioneer to perform any of the acts contemplated by this chapter either directly or indirectly, under authority of his license, until the apprentice auctioneer receives a new license bearing the name and address of his new employer. No more than one (1) license shall be issued to any apprentice auctioneer for the same period of time.

(6) Notice in writing shall be given to the board by each licensee of any change of principal business location or of residence address within ten (10) days of such change. In the event of change of business location address the board shall issue a new license for the unexpired period. A change of business location without notification to the board within ten (10) days shall automatically suspend or revoke the license of such licensee, as may be ordered in the discretion of the board. Changing a business location or a residence location on its records shall entitle the board to collect ***ten dollars ($10)*** [~~three dollars ($3)~~].

Section 7. KRS 330.090 is amended to read as follows:

(1) A nonresident may become ***a licensee*** [~~an auctioneer or apprentice auctioneer~~] by conforming to all the conditions of this chapter.

(2) In every instance the nonresident shall pay the issuance fee and the annual renewal fee [~~and file the bond required~~] by this chapter. ***The nonresident shall also pay the annual fee to the education, research, and recovery fund pursuant to KRS 330.192 and, in addition, any fee required by KRS 330.095, whether or not the examination requirement is waived by the board pursuant to this chapter.***

(3) In addition, every nonresident applicant shall file an irrevocable consent that actions may be commenced against the applicant in any court of competent jurisdiction in the Commonwealth, by the service of any summons, process, or pleadings authorized by law on the secretary of the board. The consent shall stipulate and agree that the service of such process, summons, or pleadings on the secretary shall be taken and held in all courts to be as valid and binding as if actual service had been made upon the applicant in Kentucky. In case any summons, process, or pleadings are served upon the secretary of the board, it shall be by duplicate copies, one of which shall be retained in the office of the board, and the other immediately forwarded by certified mail, return receipt requested, to the last known business address of the applicant against which the summons, process, or pleadings may be directed.

(4) In the event a nonresident applicant for principal auctioneer's license should reside in a state which does not prescribe qualifications for licensing as set out in KRS 330.095, the board may waive the apprenticeship requirement set out in KRS 330.070(1) provided that said nonresident nonreciprocal applicant resides so far away as to prevent his serving a bona fide apprenticeship under a licensed Kentucky auctioneer, and further provided that such applicant must exhibit to the board by affidavit or by other evidence as required by it that his experience and competency are sufficient to qualify him to take the examination for principal auctioneer.

[~~(5) Any applicant for an auction house operator's license shall be a resident of the Commonwealth of Kentucky.~~]

Section 8. KRS 330.095 is amended to read as follows:

Any nonresident applicant who is a ***licensee*** [~~licensed auctioneer or apprentice auctioneer~~] in and who resides in another state or country where the qualifications prescribed at the time of licensing were, in the opinion of the board, equal to those prescribed in the Commonwealth of Kentucky at the date of application, and where reciprocal licensing privileges satisfactory to the board are granted to licensees and residents of the Commonwealth, may be granted a license without an examination. A fee of one hundred dollars ($100) in addition to the fees set out in KRS 330.090 shall be collected from each applicant meeting the above requirements. [~~No auction house operator's license shall be obtained through reciprocity.~~]

Section 9. KRS 330.100 is amended to read as follows:

(1) Every auctioneer licensed under this chapter shall maintain a definite place of business in the Commonwealth, except as hereinafter provided, and shall erect and maintain a sign in a conspicuous place on the premises at or near the outside entrance to the principal office and all branch offices. The sign shall be written in clear and legible letters of not less than two (2) inches in height, and shall clearly show his name and indicate that he is an auctioneer. The sign shall be placed so that it can easily be observed and read by anyone entering the place of business; provided, however, that if the auctioneer is a nonresident, it is not necessary for him to maintain an active place of business in the Commonwealth if he maintains a place of business in the state where he was originally licensed.

(2) Every auction house operator licensed under this chapter shall maintain a definite place of business in the Commonwealth, and shall erect and maintain a sign in a conspicuous place on the premises at or near the outside entrance to all fixed locations. The sign shall be written in clear and legible letters of not less than two (2) inches in height, and shall contain the name of the auction house operator, the fact that he is licensed, and the name of the auction house, if different than the name of the operator. The sign shall be placed so that it can easily be observed and read by anyone entering the auction house.

(3) Every livestock auctioneer and tobacco auctioneer licensed under this chapter shall conform to the provisions of subsection (1) of this section. If the livestock auctioneer or tobacco auctioneer does not wish to maintain a separate and definite place of business, he may use one of the fixed base locations where he is operating as such place of business. The board shall be kept advised as to the location pursuant to KRS 330.070.

Section 10. KRS 330.110 is amended to read as follows:

The board may suspend ***for a period up to four (4) years*** or revoke the license of ***any licensee, or levy fines not to exceed five hundred dollars ($500) against any licensee, or place any licensee on probation for a period of up to three (3) years, or require successful passage of any examination administered by the board, or require successful completion of any course of auction study or auction seminars designated by the board, or issue a formal reprimand, or order any combination of the above, for violation by any licensee of*** [~~an auctioneer, apprentice auctioneer or auction house operator for violating~~] any of the provisions of this chapter, or for any of the following causes:

(1) Obtaining a license through false or fraudulent representation;

(2) Making any substantial misrepresentation;

(3) Pursuing a continued and flagrant course of misrepresentation or making false promises through agents or advertising or otherwise;

(4) Accepting valuable consideration as an apprentice auctioneer for the performance of any of the acts specified in this chapter, from any person, except his employer auctioneer;

(5) Failing to account for or remit, within a reasonable time, any money belonging to others that comes into his possession, commingling funds of others with his own, or failing to keep such funds of others in an escrow or trustee account;

(6) Paying valuable consideration to any person for services performed in violation of this chapter, or procuring, permitting, aiding, or abetting any unlicensed person acting in violation of any of the provisions of this chapter;

(7) Being convicted in a court of competent jurisdiction of this or any other state of a criminal offense involving moral turpitude or a felony;

(8) Violation of any administrative regulation promulgated by the board;

(9) Failure to furnish voluntarily at the time of execution, copies of all written instruments prepared by the auctioneer, apprentice auctioneer or auction house operator;

(10) Any conduct of a licensee which demonstrates bad faith, dishonesty, incompetency or untruthfulness;

(11) Any other conduct that constitutes improper, fraudulent, dishonest, or negligent dealings;

(12) Failing prior to the sale at public auction or prior to publicly advertising any goods for sale or offering any goods for sale to enter into a written contract with the owner or consignee of any property to be sold, containing the terms and conditions upon which the licensee receives the property for sale*;*

(13) After January 1, 1993, failure of any licensee to insert in any advertising pertaining to a particular sale the name and the license number of the auctioneer.

Section 11. KRS 330.120 is amended to read as follows:

The board may upon its own motion, and shall upon the verified written complaint of any person, investigate the actions of any ***licensee*** [~~auctioneer, apprentice auctioneer~~], or auction house operator, or any person who assumes to act ***as a licensee*** [~~in any of those capacities,~~] if the complaint, or complaint together with other evidence presented in connection with it, makes out a prima facie case of a violation of this chapter.

Section 12. KRS 330.150 is amended to read as follows:

If the board determines that an applicant is not entitled to receive a license, a license shall not be granted to ***the*** [~~such~~] applicant, and if the board determines that any licensee is guilty of a violation of any of the provisions of this chapter, his license shall be suspended or revoked ***pursuant to KRS 330.110***. The board, upon request of the applicant or licensee, shall furnish the applicant or licensee with a definite statement of its findings of facts and its reason or reasons for refusing to grant the license or for suspension of the rights of the licensee, or for the revocation of the license, as the case may be. The findings of fact made by the board acting within its powers shall, in the absence of fraud, be conclusive, but any person aggrieved shall have the right of an appeal from the findings of the board.

Section 13. KRS 330.170 is amended to read as follows:

(1) Any ***licensee*** [~~auctioneer, apprentice auctioneer, or auction house operator~~] who has had his license revoked shall not be issued another license for a period of five (5) years from the date of revocation.

(2) The revocation of an auctioneer's license shall automatically suspend every apprentice auctioneer's license granted to any person by virtue of his employment by the auctioneer whose license has been revoked. The apprentice auctioneer may retain his license, by transferring to the employment of another licensed auctioneer within thirty (30) days.

Section 14. KRS 330.190 is amended to read as follows:

(1) No person, engaged in the business of or acting in the capacity of ***any licensee under this chapter*** [~~an auctioneer, apprentice auctioneer, or auction house operator~~] shall bring or maintain any action in the courts of the Commonwealth for the collection of compensation for any services performed as ***such a licensee*** [~~an auctioneer, apprentice auctioneer, or auction house operator~~] without first alleging and proving that he was [~~a~~] duly licensed [~~auctioneer, apprentice auctioneer, or auction house operator~~] at the time the alleged cause of action arose.

(2) No apprentice auctioneer shall have the right to institute a suit in his own name for the recovery of a commission, fee or compensation for services as an apprentice auctioneer, but any such act shall be instituted and brought by the licensed auctioneer employing an apprentice auctioneer; provided, however, that this subsection shall not be construed so as to prevent a licensed apprentice auctioneer from suing his employing auctioneer for any compensation, fees or commissions due him from an auctioneer.

Section 15. KRS 330.192 is amended to read as follows:

(1) (a) There is hereby created and established in the State Treasury the auctioneer's education, research and recovery fund.

(b) In addition to the license fees provided for in KRS 330.070, upon renewal of every ***license issued pursuant to this chapter*** [~~apprentice or principal auctioneer's license, and every auction house operator's license as of July 15, 1982, and every regular annual renewal date thereafter,~~] the board shall charge every licensee an amount not to exceed thirty dollars ($30) per year to be included in the auctioneer's education, research and recovery fund. Every original applicant for apprentice or principal auctioneer's license, and every applicant for an auction house operator's license on and after July 15, 1982, shall likewise submit to the board an additional fee of thirty dollars ($30) to be deposited in the auctioneer's education, research and recovery fund and shall also be subjected thereafter to an annual renewal fee as of the regular renewal date.

(c) In addition to the license fees provided for in KRS 330.070, the board, based upon its own discretion as to need, may assess each licensee upon renewal an amount equal to or less than thirty dollars ($30) per year, or nothing, but not more. Each original applicant shall pay the original amount of thirty dollars ($30), but upon renewal shall pay the same fee as other licensees.

(2) The purposes of the auctioneer's education, research and recovery fund shall be as follows:

(a) When a licensee has been duly found guilty of violating any one (1) or more of the provisions of KRS 330.110, or any one (1) or more of the administrative regulations duly promulgated by the board, and upon the conclusion of a final order entered by the board or by the courts, if appealed, the board is authorized to pay to the aggrieved person or persons an aggregate amount not to exceed ***thirty*** [~~twenty~~] thousand dollars ***($30,000)*** [~~($20,000)~~] against any one (1) licensee, provided that the licensee has refused to pay such claim within a period of twenty (20) days of entry of a final order and provided further that the amount or amounts of money in question are certain and liquidated.

(b) The board shall maintain a minimum level of ***four*** [~~two~~] hundred thousand dollars ***($400,000)*** [~~($200,000)~~] for recovery and guaranty purposes. These funds may be invested and reinvested in the same manner as funds of the State Employees' Retirement System and the interest from said investments shall be deposited to the credit of the research and recovery fund, or, in the discretion of the board, to the agency fund account as set out in KRS 330.050(6). Sufficient liquidity, however, will be maintained so that there will be money available to satisfy any and all claims which may be processed through the board by means of administrative hearing as outlined in this chapter.

(c) The board, in its discretion, may use any funds in excess of the ***four*** [~~two~~] hundred thousand dollar ***($400,000)*** [~~($200,000)~~] level, regardless of whether it is from the auctioneer's education, research and recovery fund fees or accrued interest thereon, for any of the following purposes:

1. To carry out the advancement of education and research in the auction field for the benefit of those licensed under the provisions of this chapter and the improvement and making even more efficient the auction industry as such;

2. To underwrite educational seminars, caravans and other forms of educational projects for the use and benefit generally of auctioneer licensees;

3. To establish an auction chair or courses at Kentucky state institutions of higher learning for the purpose of making such courses available to licensees and the general public who may seek same on a college or university level;

4. To contract for a particular research project in the auction field for the Commonwealth of Kentucky;

5. To sponsor, contract for, and to underwrite any and all other educational and research projects of a similar nature having to do with the advancement of the auction field in Kentucky;

6. To cooperate with associations of auctioneers and any other groups for the enlightenment and advancement of the auctioneer licensees of Kentucky; and

7. To increase the level of the auctioneer's education, research and recovery fund above ***four*** [~~two~~] hundred thousand dollars ***($400,000)*** [~~($200,000)~~];

8. To augment the regular trust and agency account of the board.

(3) (a) In the event that a licensee is found guilty of one (1) or more provisions of KRS 330.110 or of violating one (1) or more of the administrative regulations of the board, and if the amount of the money lost by the aggrieved party or parties is in dispute or cannot be determined accurately, then the amount of damages shall be determined by a Circuit Court in the county where the alleged violation took place, provided that the board has previously determined that a violation of the license laws or of the administrative regulations has occurred and a final order has been entered.

(b) If such an order has been entered and the license rights of the licensee have been finally adjudicated, then the local Circuit Court shall make a finding as to the monetary damages growing out of the aforesaid violation or violations.

(c) When a final order has been entered by the Circuit Court, Court of Appeals, or Supreme Court, and upon certification to the board, the aggrieved party or parties shall be paid such amount or amounts in the aggregate not to exceed ***thirty*** [~~twenty~~] thousand dollars ***($30,000)*** [~~($20,000)~~] by the board, and the license held by the licensee against whom the claim was made by the aggrieved party shall be suspended at least until such time as the licensee has reimbursed the auctioneer's education, research and recovery fund for all amounts paid to the aggrieved party due to the violation of the licensee.

(d) When, upon the final order of the court, the board has paid from the auctioneer's education, research and recovery fund any sum to the aggrieved party, the board shall be subrogated to all of the rights of the aggrieved party to the extent of the payment and the aggrieved party shall to the extent of the payment assign his right, title, and interest in the judgment to the commission.

(e) Any funds in excess of the ***four*** [~~two~~] hundred thousand dollar ***($400,000)*** [~~($200,000)~~] level and which are not being currently used, may be invested and reinvested as set forth in subsection (2)(b) of this section, or, in the discretion of the board, may be utilized for any of the purposes enumerated in subsection (2)(c) of this section.

(f) All the claims for monetary damages or relief from the auctioneer's education, research and recovery fund must be made in writing on a proof of loss form submitted to the board within six (6) months of the act of the auctioneer giving rise to the loss. Failure to file such claims within the six (6) month period shall bar the claim. Additional evidence will be submitted by the claimant if required by the board.

(g) Notwithstanding any other provisions of this chapter, no unreimbursed amount greater than ***thirty*** [~~twenty~~] thousand dollars ***($30,000)*** [~~($20,000)~~] shall be paid by the board on account of any one (1) licensee, no matter over how long a time, or for how many claims, and no matter what the number of claimants be or the size of such claims, individually or in the aggregate. Should the licensee reimburse the fund for all amounts paid, then future claims timely filed with the board concerning different matters may be received pursuant to this section.

(h) No claims shall be approved under this section for amounts which, in the aggregate, exceed the maximum payable on account of any one (1) licensee in effect at the time of the act or acts of the licensee giving rise to the claims, except to the extent of said maximum. Statutory increases in the maximum set out in this section do not apply retroactively.

(4) All categories of licensees under this chapter[~~, including auctioneers, apprentice auctioneers, and auction house operators~~] are covered under the provisions of this section for the benefit and protection of the public.

(5) This section is not intended to substitute for, circumvent, or duplicate other remedies existing at law or otherwise for claimants or potential claimants, but constitutes a last resort for aggrieved persons who would not, but for the provisions of this section, be able to recover their losses by any other means available. The board shall have full discretion to require that claimants exhaust all other remedies prior to proceeding under this section, including, but not limited to, the remedy of obtaining a judgment by all diligent and appropriate means.

Section 16. KRS 330.200 is amended to read as follows:

No municipality or other political subdivision shall regulate, tax or license ***any licensee*** [~~auctioneers, apprentice auctioneers, or auction house operators,~~] except for those administrative regulations, taxes, or licenses which may be reasonably imposed or required among all persons engaged in business generally.

Section 17. KRS 330.220 is amended to read as follows:

(1) No auction shall be advertised as "absolute" nor shall any advertising contain the words "absolute auction" or the word "absolute" or words with similar meaning nor shall any licensee offer or sell any goods ***at absolute auction*** unless:

(a) There are no liens or encumbrances on the goods, except current tax obligations, easements, or restrictions of record, in favor of any person, firm, or corporation other than the seller, or unless each and every holder of each and every lien and encumbrance, by execution of the auction listing contract, or otherwise furnishing to the auctioneer written evidence of a binding commitment therefor, shall have agreed to the unqualified acceptance of the highest bid for the property, without regard to the amount of the highest bid or the identity of the high bidder; or, alternatively, that a financially responsible person, firm, or corporation, by execution of the auction listing contract or by otherwise furnishing to the auctioneer written evidence of a binding commitment therefor, shall have absolutely guaranteed the forthwith and complete discharge and satisfaction of any and all liens and encumbrances immediately after the sale or at the closing, without regard to the amount of the highest bid received, or the identity of the high bidder; and

(b) There is the bona fide intention at the time of the advertising and at the time of the auction sale, to transfer ownership of the goods, regardless of the amount of the highest and last bid, to the high bidder, that intent existing without reliance on any agreement that any particular bid or bid level must be made or be reached, below which level the goods would not be transferred to the high bidder; and

(c) The auction listing contract contains a binding requirement that the sale be conducted without reserve, by specific inclusion of an acknowledgment by the seller that the seller, or anyone acting upon behalf of the seller, shall not bid at the absolute auction, or otherwise participate in the bidding process.

(2) Compliance with subsection (1) of this section shall not prohibit:

(a) A secured party or other lienholder who is not the seller from bidding at an absolute auction sale, providing that such bidding does not constitute, nor is it tantamount to the direct or indirect establishment or agreement to the establishment of a reserve price on the goods by the seller or by the auctioneer, or by anyone aiding or assisting, or acting upon behalf of, the seller or the auctioneer; or

(b) Any individual party to the dissolution of any marriage, partnership, or corporation from bidding as an individual entity apart from the selling entity, on goods being sold at auction pursuant to that dissolution; or

(c) The inclusion of non-misleading advertising of certain goods to be sold at "absolute auction" and the non-misleading advertising of certain goods to be sold at auction with reserve, within the same advertisement, or for sale at the same date and place, providing that advertisement shall make clearly apparent through equal or appropriate emphasis, which goods are being sold by each method.

(3) Any auction sale is, without requirement of announcement at any time, presumed to be with reserve unless the goods are in explicit terms put up at absolute auction. An auction without reserve means an absolute auction. An auction with reserve means the goods may be put up subject to the seller's confirmation or subject to a certain reserve price.

(4) (a) The provisions of this chapter shall not prohibit any licensee from bona fide bidding on his own behalf at any auction sale, whether absolute or with reserve, provided that his option to do so shall have been fully disclosed, including disclosure to the seller.

(b) Except as provided in subsection (2) of this section, the seller may not bid at an absolute auction, nor may anyone bid upon his behalf. No licensee shall knowingly receive such a bid by or on behalf of the seller at an absolute auction.

(c) Bids may be made by the seller, or upon the seller's behalf, at any auction with reserve, provided that full disclosure has been made that liberty for such bidding is retained. No licensee shall knowingly receive such a bid in the absence of full disclosure.

(d) There shall be no requirement at a with reserve sale that the reserve be announced when it is attained.

The Committee Amendment No. 1 to **HB 769** is as follows:

Amend printed copy of **HB 769** on page 12, line 6, after the period "." by inserting the following:

"***The continuing auction education requirements provided for in this subsection shall not apply to those individual auctioneers licensed prior to January 1, 1980.***"; and

On page 19, line 8, after "***name***" by deleting "***and the license number***".

Motions, Petitions and Communications (Continued)

The following members filed requests to have their names added as co-sponsors of Bills: **HB 319**, **HB 613**, **HB 683**, Representative Ackerson; **HB 445**, Representative Casebier; **HB 660**, **HB 807**, Representative Ravenscraft.

Representative Heleringer moved that **HB 509** be withdrawn. Agreed.

Representative Riner moved the adoption of the following **HR 180**:

HR 180, A RESOLUTION in honor of Donald Woolett, composer of "Kentucky Dreams," an official Bicentennial Song.

WHEREAS, Donald Woolett, a native of Louisville, Kentucky was born on July 28, 1947; and

WHEREAS, Donald Woolett has been graced with musical talent, one of the fairest and most glorious gifts of God; and

WHEREAS, Donald Woolett, along with his wife, Debbie, and their children, Robin, Natasha, and Cynthia, have recorded three gospel albums; and

WHEREAS, Donald Woolett has touched many Kentucky lives through his musical compositions revealing his talent through poetic inspiration; and

WHEREAS, Donald Woolett is the composer of "Kentucky Dreams" recognized as an official Bicentennial Song;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this honorable body proudly recognizes Donald Woolett for his outstanding contributions in the musical field.

Section 2. That this honorable body hails Donald Woolett for awakening the soul of this great Commonwealth with the inspirational song "Kentucky Dreams," an official Bicentennial Song.

Section 3. That the Clerk of the House of Representatives is directed to transmit a copy of this Resolution to Mr. Donald Woolett, 691 Howardstown Road, Hodgenville, Kentucky 42748.

HR 180 was adopted by voice vote.

Representative Barrows moved the rules be suspended for the purpose of recording votes. Agreed.

Representative Barrows moved that he be recorded as voting "yea" on **HB 92**, **HB 551**, **HB 526** and **HB 727**. Agreed.

Representative Collins moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Collins moved that he be recorded as voting "yea" on **HB 727**. Agreed.

Representative Williams moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Williams moved that his vote be changed from "nay" to "abstain" on **HB 464**. Agreed.

Representative Williams moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Williams moved that his vote be changed from "nay" to "yea" on **HB 521**. Agreed.

Representative Strong moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Strong moved that he be recorded as voting "nay" on **HB 44**. Agreed.

Representative Scorsone moved the rules be suspended for the purpose of recording votes. Agreed.

Representative Scorsone moved that he be recorded as voting "yea" on **HB 674** and **HCR 13**. Agreed.

Announcements

The following meetings were announced:

State Government, Room 125, upon adjournment, March 10, 1992.

Counties and Special Districts, 8:15 a.m., March 11, 1992.

Appropriations and Revenue, 9:00 a.m., Room 129, March 11, 1992.

Adjournment

Representative Stumbo moved that the House adjourn until 2:00 p.m., Wednesday, March 11, 1992.

On the roll call the vote was yeas 78—Ackerson, Adkins, Altman, Ark, Arnold, Ballard, Barrows, Bentley, Blandford, Bowling, Brown, Bruce, Bryant, Butler, Callahan, Castleman, L. Clark, P. Clark, Clarke, Collins, Crupper, Cyrus, Donnermeyer, Farley, Farrow, Ford, Freibert, Gee, Gedling, Geveden, Gray, Gregory, Hancock, J. Harper, K. Harper, Johnson, Jones, Keith, Kerr, Lear, Little, Lyne, Mack, Maggard, Mason, McElroy, Moberly, Mullinix, Napier, Nelson, Noland, Northup, Nunn, Palumbo, Pritchett, Rapier, Ravenscraft, Reinhardt, Richards, Richardson, Ridley, Riner, Sanders, Scorsone, Sheehan, B. Smith, R. Smith, T Smith, Strong, Stumbo, Turner, Walker, Wayne, Ward, Williams, Worthington, Yates, Zimmerman. Nays 3—Bronger, Heleringer, LeMaster.

The motion to adjourn was adopted.

WEDNESDAY, MARCH 11, 1992

FORTY-SECOND LEGISLATIVE DAY

The House was called to order by Speaker Blandford.

Prayer by Brother Monty Cooper, Peaks Mill Christian Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present except Representative Stokes.

Representative McElroy moved that the absent member be granted leave of absence in accordance with the rules of the House. Agreed.

Representative McElroy moved that the reading of the Journal of March 10, 1992 be dispensed with and the same approved. Agreed.

Floor Amendments

Floor Amendment No. 1 to the Committee Substitute to **HJR 87**, by Representative Little:

Amend printed copy of **HJR 87/HCS** on page WD-16, after the word recommendations insert a "." and delete the following:

"and adds the following: Adult Technical Education - By July 1, 1993, The Department of Adult Technical Education shall reduce the administrative and operational expenditures for regional centers by one-half. The State Board for Adult and Technical Education shall use these funds for teachers within the Vocational Technical System."

Floor Amendment No. 2 to the Committee Substi **HB 830**, by Representative LeMaster:

Amend printed copy of **HB 830/HCS** on page 2, lines 20-23, by deleting them in their entirety; and

On page 2, line 24, by deleting "*(8)*" and inserting and underlining in lieu thereof "*(7)*"; and

On page 3, line 1, by deleting "*(9)*" and inserting and underlining in lieu thereof "*(8)*".

Senate Message

Announcing passage of **SB 314**, **SB 315** and **SB 316**. (Time: 2:03 p.m.)

Report on Enrolled Bills

The Committee on Enrollment reported that **HB 372** and **HB 498** have been examined and found correctly enrolled. Said Bills were read at length, compared and signed in open session by the Speaker, and ordered delivered to the Senate. (Time - 2:04 p.m.)

HB 64, **HB 117**, **HB 287**, **HB 339**, **HB 372**, **HB 384** and **HB 498** were delivered to the Senate and signed by the President. Delivered to the Governor on March 11, 1992 at 2:18 p.m.

Introduction of Bills and Resolutions

HR 189, by Representatives Pritchett, McElroy and Lyne: A RESOLUTION urging the Department of Highways to design road projects in a manner that will reduce drainage problems on Kentucky farmland.

HR 190, by Representatives Farrow and Crupper: A RESOLUTION honoring the City of Berry, Kentucky upon the occasion of its One Hundred Twenty-fifth Anniversary.

Reference of Bills and Resolutions

The Clerk reported that the Committee on Committees has referred the following Bills and Resolutions:

Cities: **SB 269**

Education: **SJR 85**

Elections and Constitutional Amendments: **SB 184, SB 185, SB 308**

Judiciary: **SB 103, SB 187**

State Government: **SB 41, SB 130, SB 309, SB 351, SJR 69**

Tourism Development and Energy: **SB 222, SB 313, SB 334, SB 335, SB 341**

Posting of Bills and Resolutions for Consideration

The Clerk announced that the following Bills and Resolution have been posted for Committee consideration:

Education: **HB 755**

Agriculture and Small Business: **HB 793, HCR 171**

Report of Committees

The Committee on Counties and Special Districts reported **HB 392**, with Committee Amendment attached thereto, **HB 667**, with Committee Substitute attached thereto, **HB 701, HB 761, HB 792, HB 882**, with Committee Substitute attached thereto, **SB 28**, with Committee Substitute attached thereto, **SB 54**, with Committee Amendment attached thereto, and **SB 122** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 392, AN ACT relating to air boards.

Be it enactedby the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 183.132 is amended to read as follows:

(1) ***Except as provided in subsection (2) of this section,*** any city, [~~or~~] county, [~~or~~] city and county acting jointly, or any combination of two (2) or more cities and[~~/or~~] counties ***acting jointly,*** may establish a nonpartisan air board composed of six (6) members.[~~, or any city other than the first class and county jointly other than~~] An urban-county government [~~established pursuant to KRS Chapter 67A~~] may establish a nonpartisan board composed of ten (10) members.[~~, or~~] Any existing six (6) member board[~~, except a board established in an urban-county government,~~] may be expanded to ten (10) members by joint action of the county and city ***legislative bodies.***

(2) Any city of the first class, jointly with the county containing ***the*** [~~such~~] city may establish a nonpartisan air board composed of eleven (11) members. If a joint air board has been established prior to July 15, 1986, by a city of the first class and the county, the terms of the members on ***the*** [~~such~~] board shall terminate as of July 15, 1986, and the membership of the board shall be appointed in accordance with subsection (6) of this section.

(3) The board shall be a body politic and corporate with the usual corporate attributes, and in its corporate name may sue and be sued, contract and be contracted with, and do all things reasonable or necessary to effectively carry out the duties prescribed by statute. The board shall constitute a legislative body for the purposes of KRS 183.630 to 183.740.

(4) ***Subject to the provisions of Section 2 of this Act,*** the members of an air board composed of six (6) members shall be appointed as follows:

(a) If the air board is established by a city, ***the*** [~~such~~] members shall be appointed by the mayor of the city;

(b) If the air board is established by a county, ***the*** [~~such~~] members shall be appointed by the county judge/executive, except that ***if*** [~~in the event that~~] an airport is located outside the boundary of the county establishing the airport board, the county judge/executive shall appoint an additional member to the air board from the jurisdiction where the airport is physically located. The additional member shall serve a four (4) year term in accordance with the provisions of subsection (7) of this section and receive full voting privileges on matters brought before the airport board;

(c) If the air board is established as a joint city-county air board, ***the*** [~~such~~] members shall be appointed jointly by the mayor of the city and the county judge/executive;

(d) If a combination of cities and[~~/or~~] counties establishes a joint air board, the mayors and[~~/or~~] county judges/executive involved shall jointly choose six (6) members, and shall jointly choose successors.

(5) ***Subject to the provisions of Section 2 of this Act,*** the members of an air board composed of ten (10) members shall be appointed as follows:

(a) Five (5) members shall be appointed by the mayor of the city, without approval of the legislative body;

(b) Five (5) members shall be appointed by the county judge/executive without approval of the other members of the fiscal court.

(6) The members of an air board composed of eleven (11) members established jointly by a city of the first class and the county containing ***the*** [~~such~~] city shall be composed of the mayor of the city of the first class, the county judge/executive of the county and the secretary of the state Cabinet for Economic Development and eight (8) other members appointed as follows:

(a) Three (3) members shall be appointed by the mayor of the city of the first class;

(b) Three (3) members shall be appointed by the county judge/executive of the county, with the approval of the fiscal court; and

(c) Two (2) members, who shall be residents of ***the*** [~~such~~] county containing a city of the first class or of counties contiguous thereto, shall be appointed by the Governor of the Commonwealth.

(7) Members of the board composed of six (6) members, shall serve for a term of four (4) years each, and until their successors are appointed and qualified.[~~, provided, however, that~~] Initial appointments shall be made so that two (2) members are appointed for two (2) years, two (2) members for three (3) years and two (2) members for four (4) years. Upon expiration of these staggered terms, successors shall be appointed for a term of four (4) years.

(8) Members of the board composed of ten (10) members, shall serve for a term of four (4) years each, and until their successors are appointed and qualified.[~~, provided, however, that~~] The mayor and the county judge/executive shall each make their initial appointments so that one (1) member is appointed for two (2) years, two (2) members are appointed for three (3) years, and two (2) members are appointed for four (4) years; except that if an existing six (6) member board is being increased to a ten (10) member board, initial appointments of the four (4) new members shall be made so that the mayor and the county judge/executive each appoint one (1) member for two (2) years and one (1) member for four (4) years. Upon expiration of these initial terms, successors shall be appointed for a term of four (4) years.

(9) Members of the board composed of eleven (11) members, shall serve for a term of three (3) years each, and until their successors are appointed and qualified, except that the terms of the mayor, county judge/executive and the secretary of economic development shall be coextensive with their terms of office. The mayor and the county judge/executive shall each make their initial appointments so that one (1) member is appointed for one (1) year, one (1) member is appointed for two (2) years, and one (1) member is appointed for three (3) years. The Governor shall make the initial appointments so that one (1) member is appointed for two (2) years and one (1) member is appointed for three (3) years. Upon the expiration of these initial terms, successors shall be appointed for a term of four (4) years.

(10) Members of the board shall serve without compensation but shall be allowed any reasonable expenses incurred by them in the conduct of the affairs of the board. The board shall, upon the appointment of its members, organize and elect officers. The board, except for a board composed of eleven (11) members, shall choose a chairman and vice chairman who shall serve for terms of one (1) year. ***If*** [~~Where~~] the board is composed of eleven (11) members, the mayor of the city of the first class and the county judge/executive shall jointly appoint the chairman from among the membership of the board. The board shall also choose a secretary-treasurer who may or may not be a member of the board. The board may fix a salary for the secretary-treasurer. [~~and~~] The secretary-treasurer shall execute an official bond to be set and approved by the board, and the cost thereof shall be paid by the board.

(11) The board may employ necessary counsel, agents, and employees to carry out its work and functions, and prescribe [~~such~~] rules and regulations [~~as~~] it deems necessary.

(12) The secretary-treasurer shall keep the minutes of all meetings of the board and shall also keep a set of books showing the receipts and expenditures of the board. He shall preserve on file duplicate vouchers for all expenditures and shall present to the board, upon request, complete reports of all financial transactions

and the financial condition of the board. ***The*** [~~Such~~] books and vouchers shall at all times be subject to examination by the legislative body or bodies by whom the board was created. He shall transmit at least once annually a detailed report of all acts and doings of the board to the legislative body or bodies by whom the board was created.

(13) ***If*** [~~In the event that~~] a joint air board is created by cities and[~~/or~~] counties ***or both***, and thereafter a city or cities or county or counties desire to withdraw from participation, [~~then~~] the remaining participants may jointly choose a successor member or members of the board. No [~~such~~] withdrawing city or cities, county or counties shall be entitled to return of any moneys or property advanced ***to the*** [~~such~~] board.

(14) A quorum for the transacting of the business of a six (6) member board shall consist of four (4) members, and of a ten (10) or eleven (11) member board shall consist of six (6) members. Meetings of the board may be called by the chairman or by four (4) members. In case of tie voting by the board, the issue shall be deemed to have failed passage.

(15) ***Subject to the provisions of Section 2 of this Act, any*** [~~a~~] board member ***except those on a board composed of eleven (11) members and those on a board created by an urban-county government,*** may be replaced by the appointing authority upon a ***majority vote of the members of the*** [~~showing to such~~] authority ***and automatically*** [~~of misconduct as a board member or~~] upon conviction of a felony ***or any offense involving moral turpitude.*** No board member, except for the mayor of a city of the first class, county judge/executive and secretary of economic development on a board made up of eleven (11) members, shall hold any official office with the appointing authority.

SECTION 2. A NEW SECTION OF KRS CHAPTER 183 IS CREATED TO READ AS FOLLOWS:

(1) Any initial appointments made or vacancies filled on an air board, except those boards composed of eleven (11) members and those created by an urban-county government, shall be made from a list of three (3) candidates submitted to the appropriate appointing authority by an air board selection commission.

(2) The commission shall consist of five (5) members appointed as follows:

(a) If the air board is established by a city, the commission members shall be appointed by the mayor;

(b) If the air board is established by a county, the commission members shall be appointed by the county judge/executive;

(c) If the air board is established as a joint city-county venture or a combination of cities and counties, or counties acting jointly, the members of the commission shall be appointed jointly by the affected mayors and county judges/executive.

(3) (a) The members of the commission shall serve four (4) year terms except the initial appointments shall be made by September 1, 1992 and shall be as follows:

1. One (1) member shall serve a four (4) year term;

2. Two (2) members shall serve a three (3) year term;

3. One (1) member shall serve a two (2) year term;

4. One (1) member shall serve a one (1) year term.

(b) The terms of the original appointments shall expire on August 31 in the year designated, and the term of each member appointed thereafter shall begin on September 1.

(c) The members of the commission shall select a chairman from their membership and shall serve without pay.

(4) The commission shall be responsible for submitting three (3) nominations for any initial appointment or vacancy in an air board from which the appropriate appointing authority shall select each appointee to the air board.

(5) In making the nominations, the commission shall consider the needs of the respective air board, locate potential appointees, conduct interviews, and carry out other search and screening activities as necessary.

The Committee Amendment No. 1 to **HB 392** is as follows:

Amend printed copy of **HB 392** on page 1, line 2, after the "(l)" by deleting the rest of the line; and

on page 1, line 3, by deleting the following:

"***section,***"; and

on page 1, line 10, before the word "ten" by inserting the following: "***six (6)***" and by placing an opening bracket before the word "ten" and a closing bracket after "(10)" and striking through the same. on page l, line 11, after the word "board" by removing the opening bracket "[" and strike throughs from the rest of the line; and

on page 1, line 12, by removing the strike throughs and closing bracket around the words "urban-county government,"; and

on page 2, line 10, after "(4)" by deleting the following: "***Subject to the provisions of***" and inserting in lieu thereof the following: "***Except as provided in***"; and

on page 3, line 9, after "(5)" by deleting the remainder of the line; and

on page 3, line 10, by deleting the following: "***Act,***"; and

on page 7, line 15, after "(15)" by deleting the remainder of the line; and

on page 7, line 16, by deleting the following: "***Act,***"; and

on page 7, line 16, by deleting the words "***except those***"; and

on page 7, line 17, by deleting "***eleven (11)***" and inserting in lieu thereof "***six (6)***"; and

on page 7, line 17, by deleting the word "***and***" and inserting in lieu thereof "***except***"; and

on page 7, line 23, after the period and before the word "No" by inserting the following: "***A board member may be replaced by the appointing authority in an urban-county government upon a showing to the authority of misconduct as a board member or upon conviction of a felony.***"; and

on page 8, line 7, by deleting the word "***shall***" and inserting in lieu thereof the word "***may***".

HB 667, AN ACT relating to property valuation administration.

Be it enactedby the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 132.590 is amended to read as follows:

(1) The compensation of the property valuation administrator shall be based on (1) the area, (2) the population, and (3) the assessed value of property in the county in accordance with the provisions of the following scale, with one (1) point per each ten (10) square miles or fraction thereof of the area of the county; one (1) point per one thousand (1,000) population of the county; one (1) point per million dollars of assessment on the first one hundred (100) million and one-half (1/2) point per million dollars of assessment over one hundred (100) million:

Number of Points At Least	But Less Than	Grade Classification
5,000	---	15
1,000	5,000	14
350	1,000	13
300	350	12
225	300	11
150	225	10
125	150	9
100	125	8
---	100	7

Should a property valuation administrator for any reason vacate the office in any year during his term of office, he shall be paid only for the calendar days actually served during the year.

(2) The grade classification system provided in subsection (1) of this section shall in all respects, be equivalent to the grade classification for state employees as established by the department of personnel and subject to the provisions of subsection (4) of this section and be determined on the basis of the total area of the county as determined from information provided by the Kentucky agricultural statistics or other reliable data, the United States Bureau of the Census and the assessment of property subject to state tax as certified by the Revenue Cabinet, including the amount of assessment on which taxes are deferred under the provisions of the Agricultural and Horticultural Land Act, except that the amount of assessment of livestock and farm machinery shall be excluded in determining the grade classification.

(3) The provisions of this section shall be computed on the 1978 assessment and on each annual assessment thereafter.

(4) Each property valuation administrator shall upon taking office for the first time be placed in the first step in grade and shall annually, effective January 1 after serving no less than twelve months, be advanced one step in grade; except, that any person appointed or elected to fill a vacancy in the office of property valuation administrator shall be eligible for advancement one step in grade effective January 1 following completion of at least six months service. The Revenue Cabinet is authorized to make grade classification changes corresponding to any approved for cabinet employees in comparable positions so long as such changes do not violate the integrity of the classification system and, except further, subject to availability of funds, that the cabinet may extend cost-of-living increases approved for cabinet employees to the property valuation administrators by advancement in grade.

(5) Deputy property valuation administrators and other authorized personnel likewise may be advanced one step in grade upon completion of twelve (12) months continuous service and given such other benefits relating to reclassification of position or cost-of-living adjustments as are provided in subsection (4) of this section for property valuation administrators.

(6) Beginning with the 1990-1992 biennium, the Revenue Cabinet shall prepare a biennial budget request for the staffing of property valuation administrators' offices. An equitable allocation of employee positions to each property valuation administrator's office in the state shall be made on the basis of comparative assessment work units. Assessment work units shall be determined from the most current objective information available from the United States Bureau of the Census and other similar sources of unbiased information. Until that time the property valuation administrator's office shall be allowed by the state as compensation for deputies, other authorized personnel, and for other authorized expenditures, one and one-quarter cents on each one hundred dollars ($100) of the property assessed, including motor vehicles and the amount of assessment on which taxes are deferred under the agricultural and horticultural land act but exclusive of livestock and farm machinery, on the first two hundred fifty million dollars ($250,000,000) and one cent (1) on each one hundred dollars ($100) of the property assessed over two hundred fifty million dollars ($250,000,000); but the total sum allowed by the state to any property valuation administrator's office as compensation for deputies, other authorized personnel, and for other authorized expenditures shall not exceed the amount fixed by the Revenue Cabinet. However, each property valuation administrator's office shall be allowed as a minimum such funds that are required to meet the federal minimum wage requirements for two (2) full time deputies.

(7) Beginning with the 1990-1992 biennium each property valuation administrator shall submit by June 1 of each year for the following fiscal year to the Revenue Cabinet a budget request for his office which shall be based upon the number of employee positions allocated to his office under subsection (6) of this section and upon the county and city funds available to his office [~~and show the amount to be expended for deputy and other authorized personnel including employer's share of FICA and state retirement, and other authorized expenses of the office~~]. The Revenue Cabinet shall return to each property valuation administrator, no later than July 1, an approved budget for the fiscal year.

(8) Each property valuation administrator may appoint any persons approved by the Revenue Cabinet to assist him in the discharge of his duties. Each deputy shall be more than twenty-one (21) years of age and may be removed at the pleasure of the property valuation administrator. The salaries of deputies and other authorized personnel shall be fixed by the property valuation administrator in accordance with the grade classification system established by the Revenue Cabinet and shall be subject to the approval of the Revenue Cabinet. The department of personnel shall provide advice and technical assistance to the Revenue Cabinet in the revision and updating of the personnel classification system, which shall be equitable in all respects to the personnel classification systems maintained for other state employees. Any deputy property valuation administrator employed or promoted to a higher position may be examined by the Revenue Cabinet in accordance with standards of the department of personnel, for the position to which he is being appointed or promoted. No state funds available to any property valuation administrator's office as compensation for

deputies and other authorized personnel or for other authorized expenditures shall be paid without authorization of the Revenue Cabinet prior to the employment by the property valuation administrator of deputies or other authorized personnel or the incurring of other authorized expenditures.

(9) Each county fiscal court shall annually appropriate and pay each fiscal year to the office of the property valuation administrator as its cost for use of the assessment, as required by KRS 132.280 an amount determined as follows:

Assessment Subject to County Tax of:		
At Least	But Less Than	Amount
-	$100,000,000	$.005 for each $100 of the first $50,000,000 and $.002 for each $100 over $50,000,000.
$100,000,000	150,000,000	$.004 for each $100 of the first $100,000,000 and $.002 for each $100 over $100,000,000.
150,000,000	300,000,000	$.004 for each $100 of the first $150,000,000 and $.003 for each $100 over $150,000,000.
300,000,000	—	$.004 for each $100.

(10) The total sum to be paid by the fiscal court to any property valuation administrator's office under the provisions of subsection (9) of this section shall not exceed the limits set forth in the following table:

Assessed Value of Property Subject to County Tax of:		
At Least	But Less Than	Limit
-	$ 700,000,000	$ 25,000
$ 700,000,000	1,000,000,000	35,000
1,000,000,000	2,000,000,000	50,000
2,000,000,000	2,500,000,000	75,000
2,500,000,000	5,000,000,000	100,000
5,000,000,000	—	175,000

This allowance shall be based on the assessment as of the previous January 1 and shall be used for deputy and other personnel allowance, supplies, maps and equipment, travel allowance for the property valuation administrator and his deputies and other authorized personnel, and other authorized expenses of the office.

(11) [~~Annually, after appropriation by the county of funds required of it by subsection (9) of this section, and no later than August 1, the property valuation administrator shall file a claim with the county for that amount of the appropriation specified in his approved budget for compensation of deputies and assistants, including employer's shares of FICA and state retirement, for the fiscal year. The amount so requested shall be paid by the county into the state treasury by September 1 and shall be expended by the Revenue Cabinet only for compensation of approved deputies and assistants and the employer's share of FICA and state retirement in the appropriating county. Any funds paid into the state treasury in accordance with this provision but unexpended by the close of the fiscal year for which they were appropriated shall be returned to the county from which they were received.~~

~~(12) After submission to the state treasury of the county funds budgeted for personnel compensation under subsection (11) of this section,~~] The fiscal court shall pay the [~~remainder of the~~] county appropriation ***required by subsection (9) of this section*** to the office of the property valuation administrator on a quarterly basis. Four (4) equal payments shall be made on or before September 1, December 1, March 1, and June 1 respectively. Any unexpended county funds at the close of each fiscal year shall be retained by the property valuation administrator, except as provided in KRS 132.601(2). During county election years the property valuation administrator shall not expend in excess of forty percent (40%) of the allowances available to his office from county funds during the first five (5) months of the fiscal year in which the general election is held.

(12)[~~(13)~~] The provisions of this section shall apply to urban-county governments. In an urban-county government, all the rights and obligations conferred on fiscal courts by the provisions of this section, shall be exercised by the urban-county government.

(13)[~~(14)~~] When an urban-county form of government is established through merger of existing city and county governments as provided in KRS Chapter 67A, the annual county assessment shall be presumed to have been adopted as if the city had exercised the option to adopt as provided in KRS 132.285, and the annual amount to be appropriated to the property valuation administrator's office shall be the combined amount that is required of the county under this section and that required of the city under KRS 132.285, except that the total shall not exceed one hundred thousand dollars ($100,000) for any urban-county government with an assessment subject to county-wide tax of less than three billion dollars ($3,000,000,000), one hundred twenty-five thousand dollars ($125,000) for an urban-county government with an assessment subject to county-wide tax between three billion dollars ($3,000,000,000) and five billion dollars ($5,000,000,000) and two hundred thousand dollars ($200,000) for an urban-county government with an assessment subject to county-wide tax in excess of five billion dollars ($5,000,000,000). For purposes of this subsection the amount to be considered as the assessment for purposes of KRS 132.285 shall be the amount subject to taxation for full urban services.

(14)[~~(15)~~] Notwithstanding the provisions of subsection (1) of this section, any property valuation administrator whose county classification would be reduced from that existing as of June 17, 1978, shall not have his compensation reduced but shall continue to be compensated at his then current salary until such time as an increase in points earned by his county or a cabinet adjustment, under subsection (4) of this section, qualify him for an increase in compensation.

(15)[~~(16)~~] The county classification system provided in subsections (1) and (2) of this section shall in no way affect reclassification approved prior to this enactment nor shall they be construed to affect any future reclassifications provided under subsection (4) of this section.

The Committee Substitute to **HB 667** is as follows:

HB 667, AN ACT relating to property valuation administration.

Be it enactedby the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 132.590 is amended to read as follows:

(1) The compensation of the property valuation administrator shall be based on (1) the area, (2) the population, and (3) the assessed value of property in the county in accordance with the provisions of the following scale, with one (1) point per each ten (10) square miles or fraction thereof of the area of the county; one (1) point per one thousand (1,000) population of the county; one (1) point per million dollars of assessment on the first one hundred (100) million and one-half (1/2) point per million dollars of assessment over one hundred (100) million:

Number of Points At Least	But Less Than	Grade Classification
5,000	—	15
1,000	5,000	14
350	1,000	13
300	350	12
225	300	11
150	225	10
125	150	9
100	125	8
—	100	7

Should a property valuation administrator for any reason vacate the office in any year during his term of office, he shall be paid only for the calendar days actually served during the year.

(2) The grade classification system provided in subsection (1) of this section shall in all respects, be equivalent to the grade classification for state employees as established by the department of personnel and subject to the provisions of subsection (4) of this section and be determined on the basis of the total area of the county as determined from information provided by the Kentucky agricultural statistics or other reliable data, the United States Bureau of the Census and the assessment of property subject to state tax as certified by the Revenue Cabinet, including the amount of assessment on which taxes are deferred under the provisions of the Agricultural and Horticultural Land Act, except that the amount of assessment of livestock and farm machinery shall be excluded in determining the grade classification.

(3) The provisions of this section shall be computed on the 1978 assessment and on each annual assessment thereafter.

(4) Each property valuation administrator shall upon taking office for the first time be placed in the first step in grade and shall annually, effective January 1 after serving no less than twelve months, be advanced one step in grade; except, that any person appointed or elected to fill a vacancy in the office of property valuation administrator shall be eligible for advancement one step in grade effective January 1 following completion of at least six months service. The Revenue Cabinet is authorized to make grade classification changes corresponding to any approved for cabinet employees in comparable positions so long as such changes do not violate the integrity of the classification system and, except further, subject to availability of funds, that the cabinet may extend cost-of-living increases approved for cabinet employees to the property valuation administrators by advancement in grade.

(5) Deputy property valuation administrators and other authorized personnel likewise may be advanced one step in grade upon completion of twelve (12) months continuous service and given such other benefits relating to reclassification of position or cost-of-living adjustments as are provided in subsection (4) of this section for property valuation administrators.

(6) Beginning with the 1990-1992 biennium, the Revenue Cabinet shall prepare a biennial budget request for the staffing of property valuation administrators' offices. An equitable allocation of employee positions to each property valuation administrator's office in the state shall be made on the basis of comparative assessment work units. Assessment work units shall be determined from the most current objective information available from the United States Bureau of the Census and other similar sources of unbiased information. Until that time the property valuation administrator's office shall be allowed by the state as compensation for deputies, other authorized personnel, and for other authorized expenditures, one and one-quarter cents on each one hundred dollars ($100) of the property assessed, including motor vehicles and the amount of assessment on which taxes are deferred under the agricultural and horticultural land act but exclusive of livestock and farm machinery, on the first two hundred fifty million dollars ($250,000,000) and one cent (1) on each one hundred dollars ($100) of the property assessed over two hundred fifty million dollars ($250,000,000); but the total sum allowed by the state to any property valuation administrator's office as compensation for deputies, other authorized personnel, and for other authorized expenditures shall not exceed the amount fixed by the Revenue Cabinet. However, each property valuation administrator's office shall be allowed as a minimum such funds that are required to meet the federal minimum wage requirements for two (2) full time deputies.

(7) Beginning with the 1990-1992 biennium each property valuation administrator shall submit by June 1 of each year for the following fiscal year to the Revenue Cabinet a budget request for his office which shall be based upon [~~the number of employee positions allocated to his office under subsection (6) of this section and upon~~] the county and city funds available to his office and show the amount to be expended for [~~deputy and other authorized personnel including employer's share of FICA and state retirement, and other~~] authorized ***operating*** expenses ***and capital outlays*** of the office. The Revenue Cabinet shall return to each property valuation administrator, no later than July 1, an approved budget for the fiscal year.

(8) Each property valuation administrator may appoint any persons approved by the Revenue Cabinet to assist him in the discharge of his duties. Each deputy shall be more than twenty-one (21) years of age and may be removed at the pleasure of the property valuation administrator. The salaries of deputies and other authorized personnel shall be fixed by the property valuation administrator in accordance with the grade classification system established by the Revenue Cabinet and shall be subject to the approval of the Revenue Cabinet. The department of personnel shall provide advice and technical assistance to the Revenue Cabinet in the revision and updating of the personnel classification system, which shall be equitable in all respects to the personnel classification systems maintained for other state employees. Any deputy property valuation administrator employed or promoted to a higher position may be examined by the Revenue Cabinet in accordance with standards of the department of personnel, for the position to which he is being appointed or promoted. No state funds available to any property valuation administrator's office as compensation for

deputies and other authorized personnel or for other authorized expenditures shall be paid without authorization of the Revenue Cabinet prior to the employment by the property valuation administrator of deputies or other authorized personnel or the incurring of other authorized expenditures.

(9) Each county fiscal court shall annually appropriate and pay each fiscal year to the office of the property valuation administrator as its cost for use of the assessment, as required by KRS 132.280 an amount determined as follows:

Assessment Subject to County Tax of:		
At Least	But Less Than	Amount
-	$100,000,000	$.005 for each $100 of the first $50,000,000 and $.002 for each $100 over $50,000,000.
$100,000,000	150,000,000	$.004 for each $100 of the first $100,000,000 and $.002 for each $100 over $100,000,000.
150,000,000	300,000,000	$.004 for each $100 of the first $150,000,000 and $.003 for each $100 over $150,000,000.
300,000,000	—	$.004 for each $100.

(10) The total sum to be paid by the fiscal court to any property valuation administrator's office under the provisions of subsection (9) of this section shall not exceed the limits set forth in the following table:

Assessed Value of Property Subject to County Tax of:		
At Least	But Less Than	Limit
-	$ 700,000,000	$ 25,000
$ 700,000,000	1,000,000,000	35,000
1,000,000,000	2,000,000,000	50,000
2,000,000,000	2,500,000,000	75,000
2,500,000,000	5,000,000,000	100,000
5,000,000,000	—	175,000

This allowance shall be based on the assessment as of the previous January 1 and shall be used for [~~deputy and other personnel allowance,~~] supplies, maps and equipment, travel allowance for the property valuation administrator and his deputies and other [~~authorized personnel, and other~~] authorized ***operating*** expenses ***and capital outlays*** of the office.

(11) [~~Annually, after appropriation by the county of funds required of it by subsection (9) of this section, and no later than August 1, the property valuation administrator shall file a claim with the county for that amount of the appropriation specified in his approved budget for compensation of deputies and assistants, including employer's shares of FICA and state retirement, for the fiscal year. The amount so requested shall be paid by the county into the state treasury by September 1 and shall be expended by the Revenue Cabinet only for compensation of approved deputies and assistants and the employer's share of FICA and state retirement in the appropriating county. Any funds paid into the state treasury in accordance with this provision but unexpended by the close of the fiscal year for which they were appropriated shall be returned to the county from which they were received.~~

~~(12) After submission to the state treasury of the county funds budgeted for personnel compensation under subsection (11) of this section,~~] The fiscal court shall pay the [~~remainder of the~~] county appropriation ***required by subsection (9) of this section*** to the office of the property valuation administrator on a quarterly basis. Four (4) equal payments shall be made on or before September 1, December 1, March 1, and June 1 respectively. Any unexpended county funds at the close of each fiscal year shall be retained by the property valuation administrator, except as provided in KRS 132.601(2). During county election years the property valuation administrator shall not expend in excess of forty percent (40%) of the allowances available to his office from county funds during the first five (5) months of the fiscal year in which the general election is held.

(12)[~~(13)~~] The provisions of this section shall apply to urban-county governments. In an urban-county government, all the rights and obligations conferred on fiscal courts by the provisions of this section, shall be exercised by the urban-county government.

(13)[~~(14)~~] When an urban-county form of government is established through merger of existing city and county governments as provided in KRS Chapter 67A, the annual county assessment shall be presumed to have been adopted as if the city had exercised the option to adopt as provided in KRS 132.285, and the annual amount to be appropriated to the property valuation administrator's office shall be the combined amount that is required of the county under this section and that required of the city under KRS 132.285, except that the total shall not exceed one hundred thousand dollars ($100,000) for any urban-county government with an assessment subject to county-wide tax of less than three billion dollars ($3,000,000,000), one hundred twenty-five thousand dollars ($125,000) for an urban-county government with an assessment subject to county-wide tax between three billion dollars ($3,000,000,000) and five billion dollars ($5,000,000,000) and two hundred thousand dollars ($200,000) for an urban-county government with an assessment subject to county-wide tax in excess of five billion dollars ($5,000,000,000). For purposes of this subsection the amount to be considered as the assessment for purposes of KRS 132.285 shall be the amount subject to taxation for full urban services.

(14)[~~(15)~~] Notwithstanding the provisions of subsection (1) of this section, any property valuation administrator whose county classification would be reduced from that existing as of June 17, 1978, shall not have his compensation reduced but shall continue to be compensated at his then current salary until such time as an increase in points earned by his county or a cabinet adjustment, under subsection (4) of this section, qualify him for an increase in compensation.

(15)[~~(16)~~] The county classification system provided in subsections (1) and (2) of this section shall in no way affect reclassification approved prior to this enactment nor shall they be construed to affect any future reclassifications provided under subsection (4) of this section.

Section 2. KRS 132.285 is amended to read as follows:

(1) Except as provided in subsection (3) of this section, any city may by ordinance elect to use the annual county assessment for property situated within ***the*** [~~such~~] city as a basis of ad valorem tax levies ordered or approved by the legislative body of the city. Any city making ***this*** [~~such~~] election shall notify the Revenue Cabinet and property valuation administrator prior to the next succeeding assessment to be used for city levies. In ***this case,*** [~~such event~~] the assessment finally determined for county tax purposes shall serve as a basis of all city levies for the fiscal year commencing on or after the county assessment date. Each city which elects to use the county assessment shall annually appropriate and pay each fiscal year to the office of the property valuation administrator for [~~deputy and other authorized personnel allowance,~~] supplies, maps and equipment, and other authorized expenses of the office one-half of one cent for each one hundred dollars of assessment; ***but*** [~~provided, that~~] sums paid shall not be less than two hundred fifty dollars ***($250),*** nor more than forty thousand dollars ***($40,000)*** in a city having an assessment subject to city tax of less than two billion dollars ***($2,000,000,000)*** or fifty thousand dollars ***($50,000)*** in a city having an assessment subject to city tax of more than two billion dollars ***($2,000,000,000).*** This allowance shall be based on the assessment as of the previous January 1. Each property valuation administrator shall file a claim with the city and the city shall order payment in an amount not to exceed the appropriation authorized by this section. The property valuation administrator shall be required to account for all moneys paid to his office by the city and any funds unexpended by the close of each fiscal year shall carry over to the next fiscal year. Notwithstanding any statutory provisions to the contrary, the assessment dates for ***the*** [~~such~~] city shall conform to the corresponding dates for the county, and ***the*** [~~such~~] city may by ordinance establish additional financial and tax procedures that will enable it effectively to adopt the county assessment. The legislative body of any city adopting the county assessment may fix the time for levying the city tax rate, fiscal year, due and delinquency dates for taxes and any other dates that will enable it effectively to adopt the county assessment, notwithstanding any statutory provisions to the contrary. Any [~~such~~] city may, by ordinance, abolish any office connected with city assessment and equalization; except that in the case of a city assessor who is elected by the qualified voters of the city, the office may not be abolished before the end of the term of ***the*** [~~such~~] assessor. Any city which elects to use the county assessment shall have access to the assessment records as soon as completed and may obtain a copy of that portion of the records which represents the assessment of property within ***the*** [~~such~~] city by additional payment of the cost thereof. Once any city elects to use the county assessment, ***the*** [~~such~~] action cannot be revoked without notice to the Revenue Cabinet and the property valuation administrator six (6) months prior to the next date as of which property is assessed for state and county taxes.

(2) In the event any omitted property is assessed by the property valuation administrator as provided by KRS 132.310 ***the*** [~~such~~] assessment shall be considered as part of the assessment adopted by the city according to subsection (1) of this section.

(3) For purposes of the levy and collection of ad valorem taxes on motor vehicles, cities shall use the assessment required to be made pursuant to KRS 132.487(5).

Section 3. Wheras this Act has budgetary implications which cannot be properly addressed during the upcoming biennium, it shall take effect on July 1, 1994.

HB 701, AN ACT relating to county officials.

Be it enactedby the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 64.345 is amended to read as follows:

(1) The county clerk and sheriff of each county having a population of seventy-five thousand (75,000) or over shall receive an annual salary of fourteen thousand three hundred dollars ($14,300).

(2) In counties containing a city of the first class and in counties having an urban-county form of government, the amount[~~, if any,~~] allowed for the necessary office expenses of each officer***, the number of deputies and assistants allowed to each officer, and the total compensation allowed for deputies and assistants*** shall be fixed by ***the Department of Local Government no later than January 1 of each year. The department shall base its determination on a review of the officer's budget, which the officer shall submit to the department by October 15 of the preceding year, and on public comment concerning the budget. Between October 15 and November 1 of the preceding year, the department shall hold a public hearing in the county served by the officer to consider the proposed budget. The hearing for the sheriff and the county clerk of the same county may be consolidated into one (1) hearing. At least seven (7) days before the hearing, the department shall cause to be published in the newspaper with the largest circulation in the county a notice of the hearing and a complete copy of the budget to be considered. The budget shall conform to the uniform system of accounts for county officials prescribed by the state local finance officer pursuant to KRS 68.210 and shall disclose salary categories in gradations of no more than five thousand dollars ($5,000) and the number of personnel in each salary category*** [~~an order entered upon the order book of the Circuit Court, and signed by the chief judge thereof~~].

(3) In counties containing a city of the first class, each sheriff's deputy who uses his own automobile in the performance of official duties shall be authorized an allotment for expenses incurred, up to a maximum of three hundred dollars ($300) per month, to be paid out of the fees and commissions of the sheriff's office.

(4) In all [~~other~~] counties with a population of seventy-five thousand (75,000) or more ***that do not contain a city of the first class or have an urban-county government***, the amount, if any, allowed for the necessary office expenses of each officer shall be fixed by the fiscal court by an order entered upon the fiscal court order book no later than January 15 of each year. A certified copy of the orders, and of any subsequent changes made therein, shall, as soon as entered, be forwarded to the Department of Local Government.

(5)[~~(3)~~] Each officer shall, on the first day of each month, send to the Department of Local Government a statement, subscribed and sworn to by him, showing the amount of money received or collected by or for him the preceding month, as fees or compensation for official duties, and shall, with such statements, send to the Department of Local Government the amount so collected or received. The Department of Local Government may extend the time for filing the statement and making the payment for a period not exceeding ten (10) days in any month.

(6)[~~(4)~~] The salary of each officer and his deputies and assistants and his office expenses shall be paid semimonthly by the State Treasurer upon the warrant of the Department of Local Government made payable to the officer. If seventy-five percent (75%) of the amount paid into the State Treasury in any month by any of such officers is not sufficient to pay the salaries and expenses of his office for that month, the deficit may be made up out of the amount paid in any succeeding month; but in no event shall the amount allowed by the Department of Local Government to any officer for salaries and expenses exceed seventy-five percent (75%) of the amount paid to the Department of Local Government by the officer during his official term.

(7)[~~(5) In counties containing a city of the first class and in counties having an urban-county form of government, the number of deputies and assistants allowed to each officer and the compensation allowed to each deputy and assistant shall be fixed at reasonable amounts upon motion of each officer by an order entered upon the order book of the Circuit Court and signed by the chief judge thereof.~~] In all [~~other~~] counties with a population of seventy-five thousand (75,000) or more ***that do not contain a city of the first class or***

have an urban-county government, the number of deputies and assistants allowed to each officer and the compensation allowed to each deputy and assistant shall be fixed at reasonable amounts upon motion of each officer by the fiscal court by an order entered upon the fiscal court order book no later than January 15 of each year. A certified copy of the orders, and of any subsequent changes made therein, shall, as soon as entered, be forwarded to the Department of Local Government.

Section 2. KRS 64.017 is amended to read as follows:

(1) The county clerk of any county shall receive a maximum annual expense allowance of $3,600 to be paid from the fees collected by the clerk. In counties of less than 75,000 population, the expense allowance shall be taken in monthly installments of $300 from fees collected on a calendar year basis. In counties of 75,000 or more population, the allowance shall be paid in semi-monthly installments of $150 according to the procedures found in KRS 64.345***(6)***[~~(4)~~]. The expense allowance provided by this section shall be in addition to other lawful expense payments.

(2) If the amount of fees collected will not fund the full amount of the annual expense allowance, then the county clerk shall receive the excess of such fees after all other lawful expenses and salaries have been paid. The fiscal court of any county may pay that portion of the maximum annual expense allowance for which no excess fees are available.

HB 761, AN ACT relating to refunding bonds.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 58.100 is amended to read as follows:

The governmental agency may issue new bonds to provide funds for the payment of any outstanding bonds, in accordance with the procedure prescribed by KRS 58.010 to 58.140. The new bonds shall be secured to the same extent and shall have the same source of payment as the bonds refunded. Furthermore, the maturity schedule of the new bonds shall not extend beyond the remaining life of the original bonds ***unless the original bonds were issued by a county, urban-county, city, or an agency or instrumentality of a county, urban-county, or city***.

HB 792, AN ACT relating to local governments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 68.197 is amended to read as follows:

(1) The fiscal court of each county [~~having a population of thirty thousand (30,000) or more,~~] may, by order or resolution, impose license fees on franchises, provide for licensing any business, trade, occupation, or profession, and the using, holding, or exhibiting of any animal, article, or other thing. License fees on ***the*** [~~such~~] business, trade, occupation, or profession for revenue purposes, except those of the common schools, may be imposed at a percentage rate not to exceed one percent (1%) of:

(a) Salaries, wages, commissions, and other compensation earned by persons within the county for work done and services performed or rendered in the county;

(b) The net profits of self-employed individuals, partnerships, professional associations, or joint ventures resulting from trades, professions, occupations, businesses, or activities conducted in the county; and

(c) The net profits of corporations resulting from trades, professions, occupations, businesses, or activities conducted in the county.

In order to reduce administrative costs and minimize paperwork for employers, employees, and businesses, the fiscal court may provide:

1. For an annual fixed amount license fee which a person may elect to pay in lieu of reporting and paying the percentage rate as provided in this subsection on salaries, wages, commissions, and other compensation earned within the county for work done and services performed or rendered in the county; and

2. For an annual fixed amount license fee which an individual, partnership, professional association, joint venture, or corporation may elect to pay in lieu of reporting and paying the percentage rate as provided in this subsection on net profits of businesses, trades, professions, or occupations from activities conducted in the county.

Licenses imposed for regulatory purposes ***shall*** ~~[are]~~ not ***be*** subject to ***the*** ~~[such]~~ limitations as to form and amount. No public service company that pays an ad valorem tax ***shall be*** ~~[is]~~ required to pay a license tax, and no license tax shall be imposed upon or collected from any insurance company except as provided in KRS 91A.080, bank, trust company, combined bank and trust company, combined trust, banking, and title business in this state, or any savings and loan association whether state or federally chartered, or in other cases where the county is prohibited by law from imposing a license tax.

(2) No ~~[such]~~ license fee shall be imposed or collected on income received by members of the Kentucky National Guard for active duty training, unit training assemblies, and annual field training.

(3) Persons who pay a county license fee pursuant to this section and who also pay a license fee to a city contained in the county may, upon agreement between the county and the city, credit their city license fee against their county license fee.

(4) The provisions of subsection (3) of this section notwithstanding, effective with license fees imposed under the provisions of subsection (1) of this section on or after July 15, 1986, persons who pay a county license fee and a license fee to a city contained in the county shall be allowed to credit their city license fee against their county license fee.

HB 882, AN ACT relating to public utilities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 278.015 is amended to read as follows:

Notwithstanding any of the provisions of KRS Chapter 74, any water district, combined water, gas or sewer district, or water commission shall be a public utility and shall be subject to the jurisdiction of the public service commission in the same manner and to the same extent as any other utility as defined in KRS 278.010, except:

(1) As provided in KRS 278.023; or

(2) When a wholesale supplier selling water ***or providing sewage treatment*** to a water district, combined water, gas or sewer district, or water commission increases its rates, the water district, combined water, gas or sewer district shall have the authority to increase its rates commensurate with the wholesale supplier without prior approval by the commission.

Within twenty (20) days after any such increase in rates, the district shall file its revised tariffs with the commission, together with a copy of the notice from its wholesale supplier showing the increase in the rate charged to the utility, and a statement of the volume of purchased water ***or sewage treated*** used to calculate the increase in rates. The commission shall approve the filing or establish revised rates by order no later than thirty (30) days after the above documents are filed with it. Prior to or at the time of the first billing of the new rates, the district shall give notice to its customers of the increase.

The Committee Substitute to **HB 882** is as follows:

HB 882, AN ACT relating to public utilities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 278.015 is amended to read as follows:

Notwithstanding any of the provisions of KRS Chapter 74, any water district, combined water, gas or sewer district, or water commission shall be a public utility and shall be subject to the jurisdiction of the public service commission in the same manner and to the same extent as any other utility as defined in KRS 278.010, except:

(1) As provided in KRS 278.023; or

(2) When a wholesale supplier selling water ***or providing sewage treatment*** to a water district, combined water, gas or sewer district, or water commission increases its rates, the water district, combined water, gas or sewer district shall have the authority to increase its rates commensurate with the wholesale supplier without prior approval by the commission.

Within twenty (20) days after any such increase in rates, the district shall file its revised tariffs with the commission, together with a copy of the notice from its wholesale supplier showing the increase in the rate charged to the utility, and a statement of the volume of purchased water used ***or sewage treated*** to calculate the increase in rates. The commission shall approve the filing or establish revised rates by order no later than thirty (30) days after the above documents are filed with it. Prior to or at the time of the first billing of the new rates, the district shall give notice to its customers of the increase.

Section 2. KRS 278.012 is amended to read as follows:

Notwithstanding any other provisions of the Kentucky Revised Statutes, any water association formed for the purpose of furnishing water ***or sewer*** services to the general public pursuant to KRS Chapter 273 is deemed to be and shall be a public utility and shall be subject to the jurisdiction of the Public Service Commission in the same manner and to the same extent as any other utility as defined in KRS 278.010, except:

(1) As provided in KRS 278.023; or

(2) When a wholesale supplier selling water ***or providing sewage treatment*** to a water association increases its rates, the water association shall have the authority to increase its rates commensurate with the wholesale supplier without prior approval by the commission.

Within twenty (20) days after any such increase in rates, the association shall file its revised tariffs with the commission, together with a copy of the notice from its wholesale supplier showing the increase in the rate charged to the utility, and a statement of the volume of purchased water used ***or sewage treated*** to calculate the increase in rates. The commission shall approve the filing or establish revised rates by order no later than thirty (30) days after the above documents are filed with it. Prior to or at the time of the first billing of the new rates, the district shall give notice to its customers of the increase.

SB 28, AN ACT relating to powers of the fiscal court.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 67.080 is amended to read as follows:

(1) The fiscal court may:

(a) Appropriate county funds according to the provisions of KRS 68.210 through 68.360 for lawful purposes;

(b) Sell and convey any real estate belonging to the county, and buy land for the use of the county, when necessary, for the ***lawful purposes of the county*** [~~purpose of erecting thereon public buildings~~]. The fiscal court may appoint one (1) or more commissioners to sell or buy real estate under this subsection, subject to the approval of the fiscal court, and convey it to the purchaser, under the direction of the court, or have it conveyed to the court, by deed properly executed and recorded. ***When real property is purchased, the county shall pay no more than the appraised value, as determined by a Kentucky certified real property appraiser as defined in KRS 324A.010, or the price determined through exercising the power of eminent domain, if that power is used. A valuation of the property shall not be required if the purchase price is ten thousand dollars ($10,000) or less***;

(c) Regulate and control the fiscal affairs of the county;

(d) Cause correct accounts and records to be kept of all receipts and disbursements of the public funds of the county, employ a competent person to keep such accounts and records, pay such person a reasonable compensation for such services, and have the accounts of the county and all county officers audited, when necessary and in accordance with the provisions of KRS 43.070 and 64.810;

(e) Exercise all the corporate powers of the county unless otherwise provided by law;

(f) Establish all appointive offices, set the duties of those offices, and approve all appointments to those offices; and

(g) Investigate all activities of the county government.

(2) The fiscal court shall:

(a) Appropriate county funds, according to the provisions of KRS 68.210 to 68.360, for purposes required by law;

(b) As needed, cause the construction, operation and maintenance of all county buildings and other structures, grounds, roads and other property;

(c) Adopt an administrative code for the county; and

(d) Provide for the incarceration of prisoners according to the provisions of KRS Chapter 441.

(3) The fiscal court shall not exercise executive authority except as specifically assigned by statute.

The Committee Substitute to **SB 28** is as follows:

SB 28, AN ACT relating to powers of the fiscal court.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 67.080 is amended to read as follows:

(1) The fiscal court may:

(a) Appropriate county funds according to the provisions of KRS 68.210 through 68.360 for lawful purposes;

(b) Sell and convey any real estate belonging to the county, and buy land for the use of the county, when necessary, for the ***lawful purposes of the county*** [~~purpose of erecting thereon public buildings~~]. The fiscal court may appoint one (1) or more commissioners to sell or buy real estate under this subsection, subject to the approval of the fiscal court, and convey it to the purchaser, under the direction of the court, or have it conveyed to the court, by deed properly executed and recorded. ***When real property is purchased, the county shall pay no more than the highest appraised value, as determined by a Kentucky certified real property appraiser as defined in KRS 324A.010, or the price determined through exercising the power of eminent domain, if that power is used***;

(c) Regulate and control the fiscal affairs of the county;

(d) Cause correct accounts and records to be kept of all receipts and disbursements of the public funds of the county, employ a competent person to keep such accounts and records, pay such person a reasonable compensation for such services, and have the accounts of the county and all county officers audited, when necessary and in accordance with the provisions of KRS 43.070 and 64.810;

(e) Exercise all the corporate powers of the county unless otherwise provided by law;

(f) Establish all appointive offices, set the duties of those offices, and approve all appointments to those offices; and

(g) Investigate all activities of the county government.

(2) The fiscal court shall:

(a) Appropriate county funds, according to the provisions of KRS 68.210 to 68.360, for purposes required by law;

(b) As needed, cause the construction, operation and maintenance of all county buildings and other structures, grounds, roads and other property;

(c) Adopt an administrative code for the county; and

(d) Provide for the incarceration of prisoners according to the provisions of KRS Chapter 441.

(3) The fiscal court shall not exercise executive authority except as specifically assigned by statute.

SB 54, AN ACT relating to property taxes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 134.500 is amended to read as follows:

(1) ***The county attorney shall take the following action to enforce collection of delinquent taxes owed to the state, a county, or a taxing district:***

(a) Within fifty (50) days after the issuance of a certificate of delinquency to the state, county, and taxing district, the county attorney shall cause a notice of the purchase to be mailed by regular mail to the property owner at the address on the records of the property valuation administrator. The notice shall advise the owner that the certificate is a lien of record against all property of the owner, and bears interest at the rate of twelve percent (12%) per annum, and if not paid will be subject to collection by the county attorney as provided by law.

(b) The county attorney shall file in the office of the county clerk a list of the names and addresses to which the notice was mailed along with a certificate that the notice was mailed in accordance with the requirements of this section.

(c) All notices returned as undeliverable shall be submitted to the property valuation administrator. The property valuation administrator shall attempt to correct inadequate or erroneous addresses and, if property has been transferred, shall determine the new owner and the current mailing address. The property valuation administrator shall return the notices with the corrected information to the county attorney prior to the expiration of the one (1) year tolling period provided in KRS 134.470.

(d) Within ninety (90) days after the expiration of the one (1) year tolling period provided in KRS 134.470, the county attorney shall cause a notice of his intention to enforce the lien to be mailed to all owners whose tax bills remain delinquent. For certificates of delinquency for which the tax due is one hundred dollars ($100) or more, the notice of enforcement shall be mailed by certified mail, return receipt requested. No second notice shall be required for addresses previously determined to be undeliverable and for which the property valuation administrator has not provided corrected information. [~~Within fifty (50) days after the issuance of a certificate of tax delinquency to the state, county, and taxing district, the county attorney shall cause a notice of the purchase to be mailed by certified mail, return receipt requested, on the person in whose name the property was assessed, and advise him that the certificate is a lien of record against his land that bears interest at twelve percent (12%) per annum, and if not paid the county attorney will proceed as provided by law to collect same.~~] A copy of the return receipt shall be filed by the county attorney in the office of the county clerk in the manner prescribed by the Revenue Cabinet.

(e) Failure to ***mail*** [~~prepare~~] the ***notices*** [~~notice~~] shall not affect the validity of the claim of the state, county, and taxing district. The postal cost of mailing the ***notices*** [~~notice~~] shall be added to the certificate of delinquency and, upon collection, the county attorney shall be reimbursed for the postage.

(2) The county attorney shall prosecute the remedy or remedies provided in this chapter that are most likely to effect collection of the amount due on the certificate of delinquency. Upon the failure of the county attorney to give the notices provided in this section, or to prosecute the remedies for collection of certificates within twelve (12) months after the right to collect accrued, or to duly complete the performance of any other duties necessary to collect the claims of the state, county, and taxing districts for taxes, the Revenue Cabinet may perform such duties. In the performance of those duties, the cabinet shall have all the powers, rights, duties, and authority with respect to the collection, refund and administration of the amount due on the certificate of delinquency conferred generally upon the cabinet by Kentucky Revised Statutes including, but not limited to, Chapters 131, 134 and 135.

(3) The county attorney who [~~prepares the notice and has it mailed and filed, as provided in subsection (1) of this section, and~~] performs his [~~other~~] duties in respect to the certificate of delinquency, shall be entitled to twenty percent (20%) of the amount due each taxing unit, whether the tax claim is voluntarily paid or is paid through sale or under court order, and ***the*** [~~such~~] commission shall be paid to him by the county clerk when making distribution, as provided in KRS 134.480. If more than one (1) county attorney renders necessary services in an effort to collect a tax claim, the attorney serving the last notice or rendering the last substantial service preceding collection shall be entitled to the commission on the amount collected for each taxing unit. When the cabinet performs the duties of the county attorney without his assistance or cooperation, the fee which would otherwise be paid the county attorney shall be paid to the cabinet for deposit in the delinquent tax fund provided for under KRS 134.400.

(4) Any action on behalf of the state, county and taxing districts authorized by this section or by KRS 134.470, 134.490 or 134.540 shall be filed on relation of the secretary of revenue, and the petition may be sent to the cabinet, which may require revision thereof in instances where it deems revision or amendment necessary. The cabinet shall advise the county attorney in all such actions, and may send him special assistance when the secretary deems assistance necessary. A copy of the judgment shall also be sent to the cabinet. If the cabinet sends assistance to a county attorney who cooperates in prosecuting the suits or proceedings, the county attorney shall be entitled to his full fee. On the same day that suit is filed, the county clerk shall be given notice of its filing. Costs incident to the suit shall become a part of the tax claim.

The Committee Amendment No. 1 to **SB 54** is as follows:

Amend printed copy of **SB 54/GA** on page 2, line 13, by deleting "***For certificates of delinquency***"; and

on page 2, by deleting lines 14 and 15; and

on page 2, line 16, by deleting "***certified mail, return receipt requested.***".

SB 122, AN ACT relating to disaster and emergency services.

Be it enactedby the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 39.415 is amended to read as follows:

(1) Each county, urban-county or ***charter county*** [~~metropolitan~~] government, or city of this state shall establish a local organization for disaster and emergency preparedness, response, and recovery consistent with a plan adopted in accordance with the provisions of this chapter. The county judge/executive of each county and the chief executive of each city or urban-county or ***charter county*** [~~metropolitan~~] government thereof shall appoint a director who shall have direct responsibility for the organization, administration, and operation of ***the*** [~~such~~] local organization for disaster and emergency response, subject to the direction and control of ***the*** [~~such~~] appointing officer. The mayor of a city may appoint a director or by joint agreement provide for direction by the director named by the county judge/executive.

(2) Counties, urban-county or ***charter county*** [~~metropolitan~~] governments, and cities may, in lieu of providing separate disaster and emergency response plans or programs, join in and adopt an areawide plan or program provided such program:

(a) Meets the criteria of the state disaster and emergency response plan; and

(b) Is consummated pursuant to KRS Chapter 147A or the Interlocal Cooperation Act; and

(c) Is provided with sufficient manpower, equipment, and funding by each contracting party or the state planning committee so as to assure high quality planning and service to all of the parties.

(3) All local, regional, or multijurisdictional organizations for disaster and emergency response shall comply with all applicable portions of the state disaster and emergency response plan.

(4) All local, regional, or multijurisdictional organizations for disaster and emergency response, and the directors and members of each, shall, for all purposes, be under the direction and jurisdiction of the director of the division and of the Governor ***when*** [~~whenever~~] the latter shall deem such action necessary.

(5) A director appointed under the provisions of subsection (1) of this section shall serve at the pleasure of the appointing authority, but shall serve not longer than four (4) years without reappointment.

(6) A local disaster and emergency services organization which qualifies for financial reimbursement from the state division of disaster and emergency services and which pays a salary to a director appointed under the provisions of subsection (1) of this section shall be reimbursed at a rate of not more than fifty percent (50%) of the total salary and benefits if funds are available and if all of the following criteria are met:

(a) The director shall be a high school graduate with an additional three (3) years of experience in business administration, industrial, or commercial planning, safety, management of emergency services, or related community or governmental service. Management level experience may be substituted for education on a year-for-year basis.

(b) The director shall be a resident of the Commonwealth of Kentucky.

(c) The director shall hold no partisan elective office.

(d) The director shall be routinely available to respond to emergency scenes, command posts, or operations centers to coordinate emergency response of public and private agencies and organizations, to attend training, or to attend meetings convened by the appointing authority or the disaster and emergency services area coordinator.

1. If the director is also a full-time or part-time employee of the federal or state government, he ***shall*** [~~must~~] have written authorization from the appropriate appointing authority to hold the position of director and to comply with the provisions of paragraph (d) of this subsection.

2. If the director is also a full-time or part-time employee of county, city, urban-county or ***charter county*** [~~metropolitan~~] government in another capacity, that government ***shall*** [~~must~~] enact an order or ordinance specifying that he will routinely be available to respond to emergencies, attend training, and to attend meetings convened by the disaster and emergency services area coordinator. The order or ordinance shall also specify that the individual, when acting as director, shall relinquish authorities and responsibilities associated with his other governmental employment and shall name a person to assume those authorities and responsibilities until such time as the director shall cease to function as director. [~~In no case shall~~] The county, city, urban-county or ***charter county*** [~~metropolitan~~] government ***shall not*** seek reimbursement for the director's salary for any time spent in another capacity.

3. If the director is also a full-time or part-time employee in the private sector, he shall have a letter from his employer stating that he shall, without penalty, be permitted to comply with the provisions of paragraph (d) of this subsection.

4. If the director is self-employed, he ***shall*** [~~must~~] certify, by letter, that his schedule shall permit him to comply with the provisions of paragraph (d) of this subsection.

(7) A director whose salary has been reimbursed by the Division of Disaster and Emergency Services prior to January 1, 1988, shall not be subject to the provisions of subsection (6)(a) of this section, so long as he remains continuously in that position in the jurisdiction which appointed him.

(8) If, at any time, the executive director of disaster and emergency services determines that a local director does not comply with the eligibility requirements of subsection (6) of this section, he shall notify that director of his intent to terminate financial reimbursement for his salary. The local director shall have ten (10) working days to come into compliance or to provide information to the executive director to justify continued funding. If the executive director continues to determine that the local director does not meet eligibility requirements, he shall terminate reimbursement. The local director may appeal the decision to the adjutant general within thirty (30) calendar days from the date of that decision. Within ten (10) working days, the adjutant general shall render a decision. If the adjutant general is on active military duty or is otherwise unavailable, he may assign a deputy or assistant who is not assigned to the Division of Disaster and Emergency Services to rule upon the appeal. A local director aggrieved by a decision of the adjutant general or his designee may appeal to the Franklin Circuit Court within twenty (20) days of the receipt of the adjutant general's decision. The court's review shall be from the record and shall not be de novo.

(9) A local director whose salary is reimbursed in part or in full by the Division of Disaster and Emergency Services shall also meet all requirements which may be imposed by the Federal Emergency Management Agency or its successor.

Section 2. KRS 39.483 is amended to read as follows:

Local disaster and emergency services organizations created pursuant to KRS 39.415 shall be eligible to receive benefits from the fund created pursuant to KRS 39.480 if they meet the following criteria:

(1) The local organization shall have a qualified director who is capable of performing during an emergency, devoting time to administrative matters, and available to participate in federal and state training programs. Unless he has already completed an introductory emergency management course or is determined by the executive director to be suitably qualified, during the first year of participation in the funding program, the local disaster and emergency services director, whether serving on a voluntary or paid basis, shall have successfully completed all correspondence courses specified by the Division of Disaster and Emergency Services, by administrative regulation. He shall also participate in an emergency management workshop when offered. Unless he has already completed an introductory emergency management course or is determined by the executive director to be suitably qualified, each director who is reimbursed for his services shall also attend an introductory emergency management course when offered.

(a) In following years, each local disaster and emergency services director shall attend, as a minimum, an emergency management workshop, when offered.

(b) In subsequent years, a local disaster and emergency services director ***who is reimbursed for his services*** [~~paid for spending at least twenty (20) hours weekly in emergency management matters~~] shall continue his education by completing advanced instruction offered by the Division of Disaster and Emergency Services, as required by administrative regulations promulgated by the Division of Disaster and Emergency Services.

The requirements of this section may be met by successfully completing related courses offered by federal agencies.

(2) Each local disaster and emergency services employee, other than the disaster and emergency services director, whose salary is reimbursed in part by this fund shall attend one (1) emergency management workshop at least every other year.

(3) Within the first year of participation in the funding program, the local, regional, or multijurisdictional organization created pursuant to KRS 39.415 shall complete a basic emergency operations plan and appropriate annexes. This plan shall be subject to final approval by the executive director of the Division of Disaster and Emergency Services. In subsequent years, the plan and all annexes shall be reviewed and updated annually.

(4) During the second and each subsequent year of participation in the program, the local, regional, or multijurisdictional organization shall conduct an exercise to test the operations plan.

(5) Each participating organization created pursuant to KRS 39.415 shall have an organized operating center, from which emergency operations shall be conducted. This center shall provide resources for the coordination of all emergency elements of government.

(6) Each participating local, regional, or multijurisdictional disaster and emergency services organization shall develop, and submit annually to the state Division of Disaster and Emergency Services, a program paper detailing the goals for the next fiscal year. Forms for this report shall be provided by the Division of Disaster and Emergency Services. This report shall be submitted as part of the budget request.

(7) Each employee of a local, regional, or multijurisdictional disaster and emergency services organization created pursuant to KRS 39.415 with the exception of the local disaster and emergency services director and his deputy, if the deputy functions in a policymaking capacity, whose salary is reimbursed in part or in total with these funds shall meet the standards of the Kentucky merit system or the standards of the federal Office of Personnel Management or its successor.

(8) In order for a county, local, regional, or multijurisdictional disaster and emergency services organization to be able to participate in the program, one (1) of the following persons shall attend an annual emergency management workshop:

(a) The county judge/executive.

(b) The deputy county judge/executive.

(c) The mayor of an urban-county government or the largest city in the county or the mayor of the city which is the county seat of the county.

(d) The city manager.

(e) The disaster and emergency services deputy director.

(f) A member of the fiscal court or urban-county council of the county.

(g) In a county where the disaster and emergency services director is not paid, the disaster and emergency services director.

(9) The Division of Disaster and Emergency Services shall, by administrative regulation, determine:

(a) Public officials and disaster and emergency services related personnel who may be reimbursed for attendance at emergency management workshops or other activities; and

(b) Reimbursements for attending courses and workshops which shall be limited as follows:

1. Reimbursement rates for meals and travel mileage shall not exceed those for state employees.

2. Reimbursement shall be made for attending the workshop or course nearest to the participant's residence. A participant may attend a workshop at a greater distance if he so chooses but he will be reimbursed for meals and mileage equal to that of attending the nearest workshop or course. In cases of extreme hardship, the nearest course or workshop requirement may be waived by the executive director.

(10) The Division of Disaster and Emergency Services shall:

(a) Publicize all available state and federal emergency management agency training courses to all local mayors, county judges/executive, and disaster and emergency services directors.

(b) Assist local personnel listed in subsection (1) of this section in gaining entrance to state and federal emergency management agency training courses.

The Committee on Judiciary reported **HB 546**, with Committee Substitute attached thereto, **HB 558**, **HB 602**, **HB 603**, with Committee Substitute attached thereto, **HB 636**, **HB 651**, with Committee Substitute attached thereto, **HB 697**, **HB 710**, **HB 744**, with Committee Amendments attached thereto, **HB 756**, **SB 6**, **SB 47** and **SB 172**, with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 546, AN ACT relating to the registration of sex offenders.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 432 IS CREATED TO READ AS FOLLOWS:

(1) Any person who, since January 1, 1993, has pled guilty to or has been convicted in this state, in any other state, or by the Courts of the United States or by a United States military court, of an offense under KRS Chapter 510, KRS 530.020, 530.064, 531.010, 531.020, 531.340, 531.350, or 531.070, or of a similar offense in another jurisdiction, who has pled guilty but mentally ill to one (1) of those offenses, or who has been convicted or pled guilty of an attempt to commit one (1) of those offenses, or any person who since that date or at any time hereafter is discharged or paroled from a penal institution where he was confined because of the commission or attempt to commit one (1) of the above-mentioned offenses, shall, within thirty (30) days after the effective date of this section or within fourteen (14) days of coming into any county or city, or city and county in which he temporarily resides or is domiciled for that length of time, register with the sheriff of the county if he is domiciled.

(2) Any person who, after January 1, 1993, is discharged or paroled from a jail, prison, school, road camp, or other institution where he was confined because of the commission or attempt to commit one (1) of the offenses listed in subsection (1) of this section or is released from a state hospital to which he was committed as guilty but mentally ill shall, prior to discharge, parole, or release, be informed of his duty to register under this section by the official in charge of the place of confinement or hospital. The official shall require the person to read and sign any form that may be required by the Justice Cabinet, stating that the duty of the person to register under this section has been explained to the person. The official in charge of the place of confinement or hospital shall obtain the address where the person expects to reside upon his discharge, parole, or release and shall report the address to the Justice Cabinet. The official in charge of the place of confinement or hospital shall give one (1) copy of the form to the person, and shall send two (2) or, if the conviction which makes the person subject to this section is a felony conviction, shall, not later than forty-five (45) days prior to the scheduled release of the person, send four (4) copies to the Justice Cabinet. The cabinet shall forward one (1) copy to the appropriate sheriff's office having local jurisdiction where the person expects to reside upon discharge, parole, or release; and, if the conviction which makes the person subject to this section is a felony conviction, one (1) copy to the prosecuting agency which prosecuted the person; and one (1) copy to the court where the person was prosecuted. All the forms shall, if the conviction which makes the person subject to this section is a felony conviction, be transmitted in time to be received by the local sheriff's office, prosecuting agency, and court thirty (30) days prior to the discharge, parole, or release of the person.

(3) Any person who after January 1, 1993, is convicted in this state of the commission or attempt to commit any of the offenses listed in subsection (1) of this section and who is released on probation or discharged upon payment of a fine shall, prior to release or discharge, be informed of the duty to register under this section by the court in which the person has been convicted. The court shall require the person to read and sign any form that may be required by the Justice Cabinet, stating that the duty of the person to register under this section has been explained to him. The court shall obtain the address where the person expects to reside upon release or discharge and shall report within three (3) days the address to the Justice Cabinet. The court shall give one (1) copy of the form to the person, and shall send two (2) copies to the Justice Cabinet, which, in turn, shall forward one (1) copy to the appropriate law enforcement agency having local jurisdiction where the person expects to reside upon his discharge, parole, or release.

(4) The registration shall consist of:

(a) A statement in writing signed by the person, giving information required by the Justice Cabinet; and

(b) The fingerprints and photograph of the person.

Within three (3) days after receipt, the registering law enforcement agency shall forward the statement, fingerprints, and photograph to the Justice Cabinet.

(5) If any person required to register changes his residence address, the person shall inform, in writing within ten (10) days, the sheriff with whom he last registered of the new address. The sheriff shall, within three (3) days after receipt of this information, forward it to the Justice Cabinet. The Justice Cabinet shall forward appropriate registration data to the sheriff having local jurisdiction of the new place of residence.

(6) Any person required to register under this section who violates any of the provisions thereof is guilty of a Class A misdemeanor. Any person who has been convicted of assault with intent to commit rape or sodomy, and who is required to register under this section who shall willfully violate any of the provisions thereof is guilty of a misdemeanor and shall be sentenced to serve a term of not less than ninety (90) days nor more than one (1) year in the county jail. The court shall not absolve a person who willfully violates this section from the obligation of spending at least ninety (90) days of confinement in the county jail and of completing probation of at least one (1) year.

(7) When any person is released on parole or probation and is required to register under this section but fails to do so within the time prescribed, the Parole Board, or the court, as the case may be, shall order the parole or probation of the person revoked.

(8) The statements, photographs, and fingerprints required by subsection (4) of this section shall not be open to inspection by the public or by any person other than a regularly employed peace or other law enforcement officer.

(9) If a person who would be required to register pursuant to this section for a felony conviction is to be temporarily sent outside the institution where he is confined on any assignment within a city or county, including fire fighting, disaster control, or other assignment, the local law enforcement agency having jurisdiction over the place or places where the assignment shall occur shall be notified within a reasonable time prior to removal from the institution. This provision shall not apply to any person temporarily released under guard from the institution where he is confined.

SECTION 2. A NEW SECTION OF KRS CHAPTER 432 IS CREATED TO READ AS FOLLOWS:

Persons required to register pursuant to the provisions of Section 1 of this Act shall do so continuously for a period of ten (10) years following their release from confinement or from their release on probation, shock probation, conditional discharge, parole, or other form of early release, whichever is longer.

SECTION 3. A NEW SECTION OF KRS CHAPTER 17 IS CREATED TO READ AS FOLLOWS:

The Justice Cabinet may share information required to be gathered pursuant to Section 1 of this Act with federal law enforcement agencies, state and local law enforcement agencies in this state and other states, and with the armed services of the United States (including the reserve components thereof), on a need to know basis in connection with a criminal investigation or in connection with the enforcement of a similar registration program in another jurisdiction.

The Committee Substitute to **HB 546** is as follows:

HB 546, AN ACT relating to the registration of sex offenders.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 432 IS CREATED TO READ AS FOLLOWS:

(1) Any person eighteen (18) years of age or older who, since January 1, 1993, has pled guilty to or has been convicted in this state, in any other state, or by the Courts of the United States or by a United States military court, of any felony offense under KRS Chapter 510, KRS 530.020, 530.064, or 531.310, or of a similar offense in another jurisdiction, or who has been convicted or pled guilty of a felony level attempt to commit one (1) of those offenses, or any person who since that date or at any time hereafter is discharged or paroled from a penal institution where he was confined because of the commission or felony level attempt to commit one (1) of the above-mentioned offenses, shall, within thirty (30) days after the effective date of this section or within fourteen (14) days of coming into any county or city, or city and county in which he temporarily resides or is domiciled for that length of time, register with the sheriff of the county if he is domiciled.

(2) Any person who, after January 1, 1993, is discharged or paroled from a jail, prison, or other institution where he was confined because of the commission or attempt to commit one (1) of the offenses listed in subsection (1) of this section shall, prior to discharge, parole, or release, be informed of his duty to register under this section by the official in charge of the place of confinement. The official shall require the person to read and sign any form that may be required by the Justice Cabinet, stating that the duty of the person to register under this section has been explained to the person. The official in charge of the place of confinement shall cause the releasee to complete the registration form and the official shall then forward the form to the Justice Cabinet.

(3) Any person who after January 1, 1993, is convicted in this state of the commission or felony level attempt to commit any of the offenses listed in subsection (1) of this section and who is released on probation or discharged upon payment of a fine shall, prior to release or discharge, be informed of the duty to register with the sheriff under this section by the court in which the person has been convicted. The court shall require the person to read and sign any form that may be required by the Justice Cabinet, stating that the duty of the person to register under this section has been explained to him and order that he register with the sheriff on the day of his release or discharge.

(4) The registration shall consist of a statement in writing signed by the person, giving information required by the Justice Cabinet.

(5) If any person required to register changes his residence address, the person shall register within ten (10) days, with the sheriff where he now resides, his new address. The sheriff shall, within three (3) days after receipt of this information, forward it to the Justice Cabinet.

(6) Any person required to register under this section who violates any of the provisions thereof is guilty of a Class A misdemeanor.

(7) When any person is released on parole or probation and is required to register under this section but fails to do so within the time prescribed, this shall constitute grounds for revocation.

(8) The statements required by subsection (4) of this section shall not be open to inspection by the public or by any person other than a sheriff, or regularly employed full-time deputy sheriff or full-time police officer.

SECTION 2. A NEW SECTION OF KRS CHAPTER 432 IS CREATED TO READ AS FOLLOWS:

Persons required to register pursuant to the provisions of Section 1 of this Act shall do so continuously for a period of ten (10) years following their release from confinement or from their release on probation, shock probation, conditional discharge, parole, or other form of early release, whichever is longer.

SECTION 3. A NEW SECTION OF KRS CHAPTER 17 IS CREATED TO READ AS FOLLOWS:

The Justice Cabinet may share information required to be gathered pursuant to Section 1 of this Act with federal law enforcement agencies, state and local law enforcement agencies in this state and other states, and with the armed services of the United States (including the reserve components thereof), on a need to know basis in connection with a criminal investigation or in connection with the enforcement of a similar registration program in another jurisdiction.

HB 558, AN ACT relating to the judicial retirement plan.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 21.345 is amended to read as follows:

(1) For the purposes of KRS 21.350 to 21.510, "retirement" means a voluntary resignation or a failure of re-election, but does not include a removal for cause.

(2) The word "service," as used in KRS 21.370 to 21.480, means service transferred from the Kentucky Employees' Retirement System pursuant to KRS 21.370(2), and service as a justice of the Supreme Court, as a judge of the Court of Appeals created by Section 111 of the Constitution of Kentucky, as a regular circuit judge, or as a regular judge of the District Court, including service in one (1) and then another of those capacities. It also includes service as a special circuit judge under the conditions described in subsection (3) of this section, as a judge or commissioner of the former Court of Appeals, or as director of the Administrative Office of the Courts, prior to January 1, 1976, and service continuing beyond that date, in any capacity in or for the Court of Justice, by any person who held the office of commissioner of the former Court of Appeals,

or director of the Administrative Office of the Courts, on December 31, 1975. The word "service" embraces only service performed while a member of the retirement system established by KRS 21.350 to 21.510, except that service in any of the positions hereinabove mentioned, before the Judicial Retirement System was made applicable to that category of position, [~~and~~] service transferred from the Kentucky Employees' Retirement System pursuant to KRS 21.370(2), *and military service credit purchased pursuant to Section 2 of this Act,* shall be included.

(3) For the purposes of KRS 21.345 to 21.510, a "year" of service means a total of twelve (12) months of service, which need not be in the same calendar year. Service for any part of the calendar month in which the member's term of service begins or ends shall be deemed to constitute a month of service.

(4) The provisions of this section shall not apply to any director of the Administrative Office of the Courts appointed after January 1, 1976, nor shall they apply to any commissioner of the Court of Appeals not appointed prior to January 1, 1976. The administrative director of the courts and commissioners of the Court of Appeals appointed prior to January 1, 1976, shall continue to be members of the system so long as they continue to render service in any capacity in or for the Court of Justice.

SECTION 2. A NEW SECTION OF KRS CHAPTER 21 IS CREATED TO READ AS FOLLOWS:

(1) Any active member of the Judicial Retirement Plan who is vested in the Judicial Retirement Plan pursuant to KRS 21.370 or 21.375, or his beneficiary acting in his place if the member dies prior to retirement, shall receive service credit for a maximum of four (4) years for his period of service in the armed forces of the United States, if his discharge therefrom is honorable and he has not been credited with the service by any other retirement system administered by the Commonwealth of Kentucky, by paying the retirement system fifty percent (50%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The service credit shall be awarded and the cost shall be determined in conformity with the rate which applies to the member in question pursuant to KRS 21.400. Service credit awarded pursuant to this subsection shall be equivalent, for all purposes of the Judicial Retirement Plan, to other service credit earned in the plan.

(2) The beneficiary may purchase military service credit only at one (1) time by lump sum payment for the amount of service he wishes to purchase, and the payment shall be made within thirty (30) days of the death of the active member. If the member had designated, pursuant to KRS 21.425(2), that the spouse and child or children share the death benefit, the spouse and child or children shall share the benefit enhanced by the purchase of military service credit in the same proportions as the member designated prior to his death.

(3) The member may purchase all of his military service credit at one (1) time, or in increments of no less than one (1) year, unless there is a fraction remaining after all full years have been paid for. Payment of the total or the increment may be made by lump sum or by monthly installments through payroll deduction. If the member chooses to pay by installment, the cost of the service credit shall be computed in the same manner as for a lump sum payment, which shall be the principal. Interest, at the annual actuarial rate in effect at the time each payment is made, shall be added to each monthly payment at the rate of one-twelfth (1/12) of the annual interest rate applied to the declining principal amount. Installment purchases shall be for no less than twelve (12) nor more than sixty (60) months. If the member leaves office before completing his installment payments, he may satisfy his contract by a lump sum payment of the remaining principal amount, but no further installment payments shall be accepted thereafter. In this case, the member shall be credited with the military service credit for which he has paid, in years or months but no fraction less than a full month, and any payment remaining after credit for full months has been awarded shall be returned to the member.

(4) The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer pursuant to KRS 21.360(4).

(5) No veteran shall be eligible to purchase military service credit under this section if he is receiving a military pension or is eligible for a military pension in the future, unless the military pension is for service primarily on inactive duty in a reserve component of the armed forces, or is a disability pension.

HB 602. AN ACT relating to crimes and punishments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 534.045 is amended to read as follows:

(1) Pursuant to a conviction of a misdemeanor, [~~(~~]including traffic offenses,[~~)~~] where a person is sentenced to incarceration in the county jail, the District Court may assess a reimbursement fee to help defray the expenses of the prisoner's room and board. [~~In no event shall~~] The reimbursement fee ***shall not*** exceed the cost of incarcerating the prisoner or ***seventeen*** [~~ten~~] dollars ***and fifty cents ($17.50)*** [~~($10.00)~~] per day, whichever is less. All moneys shall be collected by the District Court and paid to the county treasury for use on the jail as provided in KRS 441.006.

(2) In determining whether a reimbursement fee as described in subsection (1) of this section is to be assessed, and in establishing the amount of ***the*** [~~such~~] fee the court shall consider evidence relevant to the prisoner's ability to pay ***the*** [~~such a~~] fee but shall not consider as evidence the following:

(a) Joint ownership, if any, that the prisoner may have in real property;

(b) Joint ownership, if any, that the prisoner may have in any assets, earnings, or other sources of income; and

(c) The income, assets, earnings, or other property, both real and personal that might be owned by the prisoner's spouse or family.

(3) After considering all relevant evidence to the issue of the prisoner's ability to pay, the court shall enter as part of its judgment the amount of the reimbursement fee, if any, that shall be paid by the prisoner during his period of incarceration in the county jail. The fee shall bear a reasonable relationship to the person's income. Upon petition by the prisoner affected by the order, the amount may be modified to reflect any changes in the financial status of the prisoner. In any appeal that might be taken from the conviction, the amount of the reimbursement fee may be challenged.

(4) ***If*** [~~In the event~~] the person sentenced to jail is released in accordance with the provisions of KRS 439.179 and is subject to the provisions of KRS 439.179(4), the payment of the reimbursement fee shall be suspended so long as the person is gainfully employed.

HB 603, AN ACT relating to probation and parole.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 439.315 is amended to read as follows:

(1) A person placed by a releasing authority on probation, parole, or other form of release subject to supervision by the Corrections Cabinet, or the Department of Community Services and Facilities, shall pay a fee to offset the costs of supervising the probation, parole, or other supervised release.

(2) The fees shall be as follows:

(a) For a felony, not less than ten dollars ($10) per month while on active supervision nor more than two thousand five hundred dollars ($2,500).

(b) For a misdemeanor, not less than ten dollars ($10) per month while on active supervision nor more than five hundred dollars ($500), except as provided in subsection (13) of this section.

(3) The releasing authority shall order the fee paid in a lump sum or installments. If the fee is to be paid in a lump sum, the person shall not be released from custody until the fee is paid in full.

(4) Upon the failure of a person to pay an installment on a fee set forth in a release agreement, the releasing authority shall hold a hearing to determine why the installment has not been paid. Failure without good cause to pay an installment pursuant to a release agreement shall be grounds for the revocation of probation, parole, conditional release, or other form of release upon which the person has been released as provided in KRS 533.050.

(5) The releasing authority shall hold a hearing to determine the ability of the defendant to make the payments; and in making this determination, the releasing authority shall take into account the amount of any fine imposed upon the defendant and any amount the defendant has been ordered to pay in restitution. In counties containing ***a city of the first class or*** an urban county form of government, the releasing authority may waive the payment of the fee in whole or in part for defendants placed under the supervision of the adult misdemeanant probation and work release ***program*** [~~agency~~], if it finds that any of the factors in subsection (6) of this section exist.

(6) The releasing authority shall not waive any fee unless the secretary of corrections or his designee petitions the releasing authority in written form for the waiver. The Corrections Cabinet shall not petition unless:

(a) The offender is a student in a school, college, university, or course of vocational or technical training designed to fit the student for gainful employment. Certification of [~~such~~] student status shall be supplied to the releasing authority by the educational institution in which the offender is enrolled. In such case, the fee may be postponed until completion of education but shall be paid thereafter.

(b) The offender has an employment handicap, as determined by a physical, psychological, or psychiatric examination acceptable to, or ordered by, the releasing authority.

(7) At any time during the pendency of the judgment or order rendered according to the terms of this section, a defendant may petition the releasing authority to modify or vacate its previous judgment or order on the grounds of change of circumstances with regard to the defendant's ability to pay the fee. The releasing authority shall advise the defendant of this right at the time of the rendering of the judgment or order placing the defendant on probation, parole, or other supervised release.

(8) All sums paid by the defendant pursuant to this section shall be paid into the general fund, except as provided in subsection (13) of this section.

(9) When granting a release of any defendant by way of probation, parole, or otherwise, the releasing authority shall make the payment of this fee a condition of release, unless the fee has been waived, reduced, or delayed as provided ***in this section*** [~~herein~~], and nonpayment shall be grounds for revocation of the release as provided in KRS 533.050.

(10) The releasing authority, if the Corrections Cabinet petitions the releasing authority to modify ***the*** [~~such~~] fee, shall consider the petition and may waive the payment of the fee in whole or in part, delay payment of the fee, increase the fee, or deny the petition.

(11) All fees fixed under the provisions of this section shall be collected by the circuit clerk of the county where the defendant is supervised, except as provided in subsection (13) of this section.

(12) The Corrections Cabinet and Office of Community Services shall, for each person released under its supervision, keep an account of all payments made and report delinquencies to the releasing authority.

(13) In counties containing ***a city of the first class or*** an urban-county form of government, persons placed by a releasing authority on probation, parole, or other release subject to supervision by the adult misdemeanant probation and work release ***program*** [~~agency~~] of the ***city of the first class or*** urban-county government shall pay a fee to offset the costs of supervising the probation, parole, or other supervised release. The fees shall be assessed by the releasing authority in accordance with the provisions of this section. The fee for a misdemeanant defendant placed under the supervision of an adult misdemeanant probation and work release ***program*** [~~agency~~] of ***a city of the first class or*** an urban-county government shall be not less than one hundred dollars ($100) nor more than five hundred dollars ($500). All sums paid by the defendant under this subsection shall be paid into the general fund of the ***city of the first class or*** urban-county government in lieu of the payment specified in subsection (8) of this section. All fees fixed under this subsection shall be collected by the circuit clerk of the ***city of the first class or*** urban county involved. The adult misdemeanant probation and work release ***program*** [~~agency~~] of the ***city of the first class or*** urban-county government shall, for each person released under its supervision, keep an account of all payments made, maintain copies of all receipts issued by the circuit clerk, and report delinquencies to the court.

The Committee Substitute to **HB 603** is as follows:

HB 603, AN ACT relating to probation and parole.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 439.315 is amended to read as follows:

(1) A person placed by a releasing authority on probation, parole, or other form of release subject to supervision by the Corrections Cabinet, or the Department of Community Services and Facilities, shall pay a fee to offset the costs of supervising the probation, parole, or other supervised release.

(2) The fees shall be as follows:

(a) For a felony, not less than ten dollars ($10) per month while on active supervision nor more than two thousand five hundred dollars ($2,500).

(b) For a misdemeanor, not less than ten dollars ($10) per month while on active supervision nor more than five hundred dollars ($500), except as provided in subsection (13) of this section.

(3) The releasing authority shall order the fee paid in a lump sum or installments. If the fee is to be paid in a lump sum, the person shall not be released from custody until the fee is paid in full.

(4) Upon the failure of a person to pay an installment on a fee set forth in a release agreement, the releasing authority shall hold a hearing to determine why the installment has not been paid. Failure without good cause to pay an installment pursuant to a release agreement shall be grounds for the revocation of probation, parole, conditional release, or other form of release upon which the person has been released as provided in KRS 533.050.

(5) The releasing authority shall hold a hearing to determine the ability of the defendant to make the payments; and in making this determination, the releasing authority shall take into account the amount of any fine imposed upon the defendant and any amount the defendant has been ordered to pay in restitution. In counties containing ***a city of the first class or*** an urban county form of government, the releasing authority may waive the payment of the fee in whole or in part for defendants placed under the supervision of the adult misdemeanant probation and work release ***program*** [~~agency~~], if it finds that any of the factors in subsection (6) of this section exist.

(6) The releasing authority shall not waive any fee unless the secretary of corrections or his designee petitions the releasing authority in written form for the waiver. The Corrections Cabinet shall not petition unless:

(a) The offender is a student in a school, college, university, or course of vocational or technical training designed to fit the student for gainful employment. Certification of [~~such~~] student status shall be supplied to the releasing authority by the educational institution in which the offender is enrolled. In such case, the fee may be postponed until completion of education but shall be paid thereafter.

(b) The offender has an employment handicap, as determined by a physical, psychological, or psychiatric examination acceptable to, or ordered by, the releasing authority.

(7) At any time during the pendency of the judgment or order rendered according to the terms of this section, a defendant may petition the releasing authority to modify or vacate its previous judgment or order on the grounds of change of circumstances with regard to the defendant's ability to pay the fee. The releasing authority shall advise the defendant of this right at the time of the rendering of the judgment or order placing the defendant on probation, parole, or other supervised release.

(8) All sums paid by the defendant pursuant to this section shall be paid into the general fund, except as provided in subsection (13) of this section.

(9) When granting a release of any defendant by way of probation, parole, or otherwise, the releasing authority shall make the payment of this fee a condition of release, unless the fee has been waived, reduced, or delayed as provided ***in this section*** [~~herein~~], and nonpayment shall be grounds for revocation of the release as provided in KRS 533.050.

(10) The releasing authority, if the Corrections Cabinet petitions the releasing authority to modify ***the*** [~~such~~] fee, shall consider the petition and may waive the payment of the fee in whole or in part, delay payment of the fee, increase the fee, or deny the petition.

(11) All fees fixed under the provisions of this section shall be collected by the circuit clerk of the county where the defendant is supervised, except as provided in subsection (13) of this section.

(12) The Corrections Cabinet and Office of Community Services shall, for each person released under its supervision, keep an account of all payments made and report delinquencies to the releasing authority.

(13) In counties containing ***a city of the first class or*** an urban-county form of government, persons placed by a releasing authority on probation, parole, or other release subject to supervision by the adult misdemeanant probation and work release ***program*** [~~agency~~] of the ***county containing a city of the first class or*** urban-county government shall pay a fee to offset the costs of supervising the probation, parole, or other supervised release. The fees shall be assessed by the releasing authority in accordance with the provisions of this section. The fee for a misdemeanant defendant placed under the supervision of an adult misdemeanant

probation and work release ***program*** [~~agency~~] of ***a county containing a city of the first class or*** an urban-county government shall be not less than one hundred dollars ($100) nor more than five hundred dollars ($500). All sums paid by the defendant under this subsection shall be paid into the general fund of the ***county containing a city of the first class or*** urban-county government in lieu of the payment specified in subsection (8) of this section. All fees fixed under this subsection shall be collected by the circuit clerk of the ***county containing a city of the first class or*** urban county involved. The adult misdemeanant probation and work release ***program*** [~~agency~~] of the ***county containing a city of the first class or*** urban-county government shall, for each person released under its supervision, keep an account of all payments made, maintain copies of all receipts issued by the circuit clerk, and report delinquencies to the court.

Section 2. KRS 196.037 is amended to read as follows:

(1) All personnel of the ***department*** [~~cabinet~~], while acting for the ***department*** [~~cabinet~~] in any capacity entailing the maintenance of custody over any prisoners, shall have all the authority and powers of peace officers.

(2) All ***department*** [~~cabinet~~] personnel who are officially requested by a law enforcement agency in a county of Kentucky or by the Kentucky State Police to assist in the apprehension of a prisoner who has escaped from the legal or physical custody of the ***Department of*** Corrections [~~Cabinet~~] or a detention facility of the ***Department of*** Corrections [~~Cabinet~~] shall possess, while responding to and for the duration of the matter for which the request was made, the same powers of arrest as peace officers.

(3) Probation and parole officers, while acting for the department in any capacity entailing the maintenance of custody or supervision of any paroled prisoner, escaped prisoner, or probationer, shall have all the authority and powers of peace officers.

HB 636, AN ACT relating to crimes and punishments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 514.040 is amended to read as follows:

(1) A person is guilty of theft by deception when he obtains property or services of another by deception with intent to deprive him thereof. A person deceives when he intentionally:

(a) Creates or reinforces a false impression, including false impressions as to law, value, intention or other state of mind;

(b) Prevents another from acquiring information which would affect his judgment of a transaction;

(c) Fails to correct a false impression which the deceiver previously created or reinforced or which the deceiver knows to be influencing another to whom he stands in a fiduciary or confidential relationship;

(d) Fails to disclose a known lien, adverse claim or other legal impediment to the enjoyment of property which he transfers or encumbers in consideration for the property obtained, whether such impediment is or is not valid or is or is not a matter of official record; or

(e) Issues or passes a check or similar sight order for the payment of money, knowing that it will not be honored by the drawee.

(2) The term "deceive" does not, however, include falsity as to matters having no pecuniary significance or puffing by statements unlikely to deceive ordinary persons in the group addressed.

(3) Deception as to a person's intention to perform a promise shall not be inferred from the fact alone that he did not subsequently perform the promise.

(4) For purposes of subsection (1) of this section, an issuer of a check or similar sight order for the payment of money is presumed to know that the check or order, other than a postdated check or order, would not be paid, if:

(a) The issuer had no account with the drawee at the time the check or order was issued;

(b) Payment was refused by the drawee for lack of funds, upon presentation within thirty (30) days after issue, and the issuer failed to make good within ten (10) days after receiving notice of that refusal. An issuer makes good on a check or similar sight order for the payment of money by paying to the holder the face amount of the instrument, together with any fee to be imposed pursuant to subsection (4)(c) of this section; or

(c) If a county attorney issues notice to an issuer that a drawee has refused to honor an instrument due to a lack of funds as described in subsection (4)(b) of this section, the county attorney may charge a fee to the holder of ***ten*** [~~five~~] dollars ***($10.00)*** [~~($5.00)~~], if said instrument is paid.

(5) A person is guilty of theft by deception when he issues a check or similar sight order in payment of all or any part of any tax payable to the Commonwealth knowing that it will not be honored by the drawee.

(6) Theft by deception is a Class A misdemeanor unless the value of the property, service or the amount of the check or sight order referred to in subsection (5) of this section is one hundred dollars ($100) or more, in which case it is a Class D felony.

HB 651, AN ACT relating to crimes and punishments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 514.030 is amended to read as follows:

(1) A person is guilty of theft by unlawful taking or disposition when he unlawfully:

(a) Takes or exercises control over movable property of another with intent to deprive him thereof; or

(b) Obtains immovable property of another or any interest therein with intent to benefit himself or another not entitled thereto.

(2) Theft by unlawful taking or disposition is a Class A misdemeanor unless the value of the property is ***five hundred dollars ($500)*** [~~$100~~] or more, in which case it is a Class D felony.

Section 2. KRS 514.040 is amended to read as follows:

(1) A person is guilty of theft by deception when he obtains property or services of another by deception with intent to deprive him thereof. A person deceives when he intentionally:

(a) Creates or reinforces a false impression, including false impressions as to law, value, intention or other state of mind;

(b) Prevents another from acquiring information which would affect his judgment of a transaction;

(c) Fails to correct a false impression which the deceiver previously created or reinforced or which the deceiver knows to be influencing another to whom he stands in a fiduciary or confidential relationship;

(d) Fails to disclose a known lien, adverse claim or other legal impediment to the enjoyment of property which he transfers or encumbers in consideration for the property obtained, whether such impediment is or is not valid or is or is not a matter of official record; or

(e) Issues or passes a check or similar sight order for the payment of money, knowing that it will not be honored by the drawee.

(2) The term "deceive" does not, however, include falsity as to matters having no pecuniary significance or puffing by statements unlikely to deceive ordinary persons in the group addressed.

(3) Deception as to a person's intention to perform a promise shall not be inferred from the fact alone that he did not subsequently perform the promise.

(4) For purposes of subsection (1) of this section, an issuer of a check or similar sight order for the payment of money is presumed to know that the check or order, other than a postdated check or order, would not be paid, if:

(a) The issuer had no account with the drawee at the time the check or order was issued;

(b) Payment was refused by the drawee for lack of funds, upon presentation within thirty (30) days after issue, and the issuer failed to make good within ten (10) days after receiving notice of that refusal. An issuer makes good on a check or similar sight order for the payment of money by paying to the holder the face amount of the instrument, together with any fee to be imposed pursuant to subsection (4)(c) of this section; or

(c) If a county attorney issues notice to an issuer that a drawee has refused to honor an instrument due to a lack of funds as described in subsection (4)(b) of this section, the county attorney may charge a fee to the holder of five dollars ($5.00), if ***the*** [~~said~~] instrument is paid.

(5) A person is guilty of theft by deception when he issues a check or similar sight order in payment of all or any part of any tax payable to the Commonwealth knowing that it will not be honored by the drawee.

(6) Theft by deception is a Class A misdemeanor unless the value of the property, service or the amount of the check or sight order referred to in subsection (5) of this section is ***five*** [~~one~~] hundred dollars ***($500)*** [~~($100)~~] or more, in which case it is a Class D felony.

Section 3. KRS 514.050 is amended to read as follows:

(1) Except as provided in KRS 365.710, a person is guilty of theft of property lost, mislaid or delivered by mistake when:

(a) He comes into control of the property of another that he knows to have been lost, mislaid, or delivered under a mistake as to the nature or amount of the property or the identity of the recipient; and

(b) With intent to deprive the owner thereof, he fails to take reasonable measures to restore the property to a person entitled to have it.

(2) Theft of property lost, mislaid or delivered by mistake is a Class A misdemeanor unless the value of the property is ***five*** [~~one~~] hundred dollars ***($500)*** [~~($100)~~] or more, in which case it is a Class D felony.

Section 4. KRS 514.060 is amended to read as follows:

(1) A person is guilty of theft of services when:

(a) He intentionally obtains services by deception or threat or by false token or other means to avoid payment for the services which he knows are available only for compensation; or

(b) Having control over the services of others to which he is not entitled, he intentionally diverts ***the*** [~~such~~] services to his own benefit or the benefit of another not entitled thereto.

(2) Where compensation for services is ordinarily paid immediately upon the rendering of ***the*** [~~such~~] services, as in the case of hotels and restaurants, refusal to pay or absconding without payment or offer to pay shall be prima facie evidence that the services were obtained by deception as to intention to pay.

(3) In any prosecution for theft of gas, water, electricity or other public service, where the utility supplying the service had installed a meter or other device to record the amount of service supplied, proof that:

(a) The meter or other device has been altered, tampered with, or bypassed in such manner as to prevent or reduce the recording thereof; or

(b) Service has been, after having been disconnected by the utility supplying service, reconnected without authorization of ***the*** [~~such~~] utility;

shall be prima facie evidence of the intent to commit theft of service by the person or persons obligated to pay for service supplied through ***the*** [~~such~~] meter or other device.

(4) Theft of services is a Class A misdemeanor unless the value of the service is ***five*** [~~one~~] hundred dollars ***($500)*** [~~($100)~~] or more, in which case it is a Class D felony.

Section 5. KRS 514.070 is amended to read as follows:

(1) A person is guilty of theft by failure to make required disposition of property received when:

(a) He obtains property upon agreement or subject to a known legal obligation to make specified payment or other disposition whether from such property or its proceeds or from his own property to be reserved in equivalent amount; and

(b) He intentionally deals with the property as his own and fails to make the required payment or disposition.

(2) The provisions of subsection (1) apply notwithstanding that it may be impossible to identify particular property as belonging to the victim at the time of the actor's failure to make the required payment or disposition.

(3) An officer or employee of the government or of a financial institution is presumed:

(a) To know any legal obligation relevant to his criminal liability under this section; and

(b) To have dealt with the property as his own when:

1. He fails to account or pay upon lawful demand; or

2. An audit reveals a shortage or falsification of accounts.

(4) Theft by failure to make required disposition of property received is a Class A misdemeanor unless the value of the property is ***five*** [~~one~~] hundred dollars ***($500)*** [~~($100)~~] or more, in which case it is a Class D felony.

Section 6. KRS 514.080 is amended to read as follows:

(1) A person is guilty of theft by extortion when he intentionally obtains property of another by threatening to:

(a) Inflict bodily injury on anyone or commit any other criminal offense; or

(b) Accuse anyone of a criminal offense; or

(c) Expose any secret tending to subject any person to hatred, contempt or ridicule, or to impair his credit or business repute; or

(d) Use wrongfully his position as a public officer or servant or employee by performing some act within or related to his official duties, either expressed or implied, or by refusing or omitting to perform an official duty, either expressed or implied, in ***a*** [~~such~~] manner ***affecting*** [~~as to affect~~] some person adversely; or

(e) Bring about or continue a strike, boycott or other collective unofficial action, if the property is not demanded or received for the benefit of the group in whose interest the actor purports to act; or

(f) Testify or provide information or withhold testimony or information with respect to another's legal claim or defense.

(2) It is a defense to prosecution based on subsection (1)(b), (c) or (d) that the property obtained by threat of accusation, exposure, lawsuit or other invocation of official action was claimed as restitution or indemnification for harm done in the circumstances to which accusation, exposure, lawsuit or other official action relates, or as compensation for property or lawful services.

(3) Theft by extortion is a Class A misdemeanor unless the value of the property obtained is ***five hundred dollars ($500)*** [~~$100~~] or more, in which case it is a Class D felony.

Section 7. KRS 514.090 is amended to read as follows:

(1) A person is guilty of theft of labor already rendered when, in payment of labor already rendered by another, he intentionally issues or passes a check or similar sight order for the payment of money, knowing that it will not be honored by the drawee.

(2) For purposes of subsection (1) of this section, an issuer of a check or similar sight order for the payment of money is presumed to know that the check or order, other than a postdated check or order, would not be paid, if:

(a) The issuer had no account with the drawee at the time the check or order was issued; or

(b) Payment was refused by the drawee for lack of funds, upon presentation within thirty days (30) after issue, and the issuer failed to make good within ten days (10) after receiving notice of that refusal.

(3) Theft of labor already rendered is a Class A misdemeanor unless the value of the labor rendered is ***five*** [~~one~~] hundred dollars ***($500)*** [~~($100)~~] or more, in which case it is a Class D felony.

Section 8. KRS 514.120 is amended to read as follows:

(1) A person is guilty of obscuring the identity of a machine or other property when he:

(a) Removes, defaces, covers, alters, destroys or otherwise obscures the manufacturer's serial number or any other distinguishing identification number or mark including property marked with a social security number or motor vehicle operator's license number for identification purposes upon any automobile or other propelled vehicle, machine, or electrical or mechanical device or other property (including any part thereof) with intent to render it or other property unidentifiable; or

(b) Possesses any automobile or other propelled vehicle, machine, or electrical or mechanical device or other property (including any part thereof) knowing that the serial number or other identification number or mark including property marked with a social security number for identification purposes has been removed, defaced, covered, altered, destroyed or otherwise obscured.

(2) Possession of any automobile or other propelled vehicle, machine, or electrical or mechanical device or other property (including any part thereof) on which the serial number or any other distinguishing identification number or mark including property marked with a social security number or motor vehicle operator's license number for identification purposes has been removed, defaced, covered, altered, destroyed or otherwise obscured is prima facie evidence of knowledge of that fact.

(3) A person in possession of any property which is otherwise in violation of this section may apply in writing to the Kentucky state police, through any law enforcement agency in the county of his residence, for assignment of a number for the property providing he can show that he is the lawful owner of the property pursuant to the provisions of this section, KRS 16.200 and 500.090. If a number is issued in conformity with the provisions of this section, KRS 16.200 and 500.090 then the person to whom it was issued and any person to whom the property is lawfully disposed of shall not be in violation of these sections. A person lawfully holding a certification issued pursuant to KRS 500.090 shall also be deemed in compliance with this section. This section shall apply only when the application has been filed by the defendant prior to arrest or authorization of a warrant of arrest for the defendant by a court.

(4) Obscuring the identity of a machine or other property is a Class A misdemeanor unless the value of the property is ***five*** [~~one~~] hundred dollars ***($500)*** ($100) or more, in which case it is a Class D felony.

The Committee Substitute to **HB 651** is as follows:

HB 651, AN ACT relating to crimes and punishments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 514.030 is amended to read as follows:

(1) A person is guilty of theft by unlawful taking or disposition when he unlawfully:

(a) Takes or exercises control over movable property of another with intent to deprive him thereof; or

(b) Obtains immovable property of another or any interest therein with intent to benefit himself or another not entitled thereto.

(2) Theft by unlawful taking or disposition is a Class A misdemeanor unless the value of the property is ***three hundred dollars ($300)*** [~~$100~~] or more, in which case it is a Class D felony.

Section 2. KRS 514.040 is amended to read as follows:

(1) A person is guilty of theft by deception when he obtains property or services of another by deception with intent to deprive him thereof. A person deceives when he intentionally:

(a) Creates or reinforces a false impression, including false impressions as to law, value, intention or other state of mind;

(b) Prevents another from acquiring information which would affect his judgment of a transaction;

(c) Fails to correct a false impression which the deceiver previously created or reinforced or which the deceiver knows to be influencing another to whom he stands in a fiduciary or confidential relationship;

(d) Fails to disclose a known lien, adverse claim or other legal impediment to the enjoyment of property which he transfers or encumbers in consideration for the property obtained, whether such impediment is or is not valid or is or is not a matter of official record; or

(e) Issues or passes a check or similar sight order for the payment of money, knowing that it will not be honored by the drawee.

(2) The term "deceive" does not, however, include falsity as to matters having no pecuniary significance or puffing by statements unlikely to deceive ordinary persons in the group addressed.

(3) Deception as to a person's intention to perform a promise shall not be inferred from the fact alone that he did not subsequently perform the promise.

(4) For purposes of subsection (1) of this section, an issuer of a check or similar sight order for the payment of money is presumed to know that the check or order, other than a postdated check or order, would not be paid, if:

(a) The issuer had no account with the drawee at the time the check or order was issued;

(b) Payment was refused by the drawee for lack of funds, upon presentation within thirty (30) days after issue, and the issuer failed to make good within ten (10) days after receiving notice of that refusal. An issuer makes good on a check or similar sight order for the payment of money by paying to the holder the face amount of the instrument, together with any fee to be imposed pursuant to subsection (4)(c) of this section; or

(c) If a county attorney issues notice to an issuer that a drawee has refused to honor an instrument due to a lack of funds as described in subsection (4)(b) of this section, the county attorney may charge a fee to the holder of five dollars ($5.00), if ***the*** [~~said~~] instrument is paid.

(5) A person is guilty of theft by deception when he issues a check or similar sight order in payment of all or any part of any tax payable to the Commonwealth knowing that it will not be honored by the drawee.

(6) Theft by deception is a Class A misdemeanor unless the value of the property, service or the amount of the check or sight order referred to in subsection (5) of this section is ***three*** [~~one~~] hundred dollars ***($300)*** [~~($100)~~] or more, in which case it is a Class D felony.

Section 3. KRS 514.050 is amended to read as follows:

(1) Except as provided in KRS 365.710, a person is guilty of theft of property lost, mislaid or delivered by mistake when:

(a) He comes into control of the property of another that he knows to have been lost, mislaid, or delivered under a mistake as to the nature or amount of the property or the identity of the recipient; and

(b) With intent to deprive the owner thereof, he fails to take reasonable measures to restore the property to a person entitled to have it.

(2) Theft of property lost, mislaid or delivered by mistake is a Class A misdemeanor unless the value of the property is ***three*** [~~one~~] hundred dollars ***($300)*** [~~($100)~~] or more, in which case it is a Class D felony.

Section 4. KRS 514.060 is amended to read as follows:

(1) A person is guilty of theft of services when:

(a) He intentionally obtains services by deception or threat or by false token or other means to avoid payment for the services which he knows are available only for compensation; or

(b) Having control over the services of others to which he is not entitled, he intentionally diverts ***the*** [~~such~~] services to his own benefit or the benefit of another not entitled thereto.

(2) Where compensation for services is ordinarily paid immediately upon the rendering of ***the*** [~~such~~] services, as in the case of hotels and restaurants, refusal to pay or absconding without payment or offer to pay shall be prima facie evidence that the services were obtained by deception as to intention to pay.

(3) In any prosecution for theft of gas, water, electricity or other public service, where the utility supplying the service had installed a meter or other device to record the amount of service supplied, proof that:

(a) The meter or other device has been altered, tampered with, or bypassed in such manner as to prevent or reduce the recording thereof; or

(b) Service has been, after having been disconnected by the utility supplying service, reconnected without authorization of ***the*** [~~such~~] utility;

shall be prima facie evidence of the intent to commit theft of service by the person or persons obligated to pay for service supplied through ***the*** [~~such~~] meter or other device.

(4) Theft of services is a Class A misdemeanor unless the value of the service is ***three*** [~~one~~] hundred dollars ***($300)*** [~~($100)~~] or more, in which case it is a Class D felony.

Section 5. KRS 514.070 is amended to read as follows:

(1) A person is guilty of theft by failure to make required disposition of property received when:

(a) He obtains property upon agreement or subject to a known legal obligation to make specified payment or other disposition whether from such property or its proceeds or from his own property to be reserved in equivalent amount; and

(b) He intentionally deals with the property as his own and fails to make the required payment or disposition.

(2) The provisions of subsection (1) apply notwithstanding that it may be impossible to identify particular property as belonging to the victim at the time of the actor's failure to make the required payment or disposition.

(3) An officer or employee of the government or of a financial institution is presumed:

(a) To know any legal obligation relevant to his criminal liability under this section; and

(b) To have dealt with the property as his own when:

1. He fails to account or pay upon lawful demand; or

2. An audit reveals a shortage or falsification of accounts.

(4) Theft by failure to make required disposition of property received is a Class A misdemeanor unless the value of the property is ***three*** [~~one~~] hundred dollars ***($300)*** [~~($100)~~] or more, in which case it is a Class D felony.

Section 6. KRS 514.080 is amended to read as follows:

(1) A person is guilty of theft by extortion when he intentionally obtains property of another by threatening to:

(a) Inflict bodily injury on anyone or commit any other criminal offense; or

(b) Accuse anyone of a criminal offense; or

(c) Expose any secret tending to subject any person to hatred, contempt or ridicule, or to impair his credit or business repute; or

(d) Use wrongfully his position as a public officer or servant or employee by performing some act within or related to his official duties, either expressed or implied, or by refusing or omitting to perform an official duty, either expressed or implied, in ***a*** [~~such~~] manner ***affecting*** [~~as to affect~~] some person adversely; or

(e) Bring about or continue a strike, boycott or other collective unofficial action, if the property is not demanded or received for the benefit of the group in whose interest the actor purports to act; or

(f) Testify or provide information or withhold testimony or information with respect to another's legal claim or defense.

(2) It is a defense to prosecution based on subsection (1)(b), (c) or (d) that the property obtained by threat of accusation, exposure, lawsuit or other invocation of official action was claimed as restitution or indemnification for harm done in the circumstances to which accusation, exposure, lawsuit or other official action relates, or as compensation for property or lawful services.

(3) Theft by extortion is a Class A misdemeanor unless the value of the property obtained is ***three hundred dollars ($300)*** [~~$100~~] or more, in which case it is a Class D felony.

Section 7. KRS 514.090 is amended to read as follows:

(1) A person is guilty of theft of labor already rendered when, in payment of labor already rendered by another, he intentionally issues or passes a check or similar sight order for the payment of money, knowing that it will not be honored by the drawee.

(2) For purposes of subsection (1) of this section, an issuer of a check or similar sight order for the payment of money is presumed to know that the check or order, other than a postdated check or order, would not be paid, if:

(a) The issuer had no account with the drawee at the time the check or order was issued; or

(b) Payment was refused by the drawee for lack of funds, upon presentation within thirty days (30) after issue, and the issuer failed to make good within ten days (10) after receiving notice of that refusal.

(3) Theft of labor already rendered is a Class A misdemeanor unless the value of the labor rendered is ***three*** [~~one~~] hundred dollars ***($300)*** [~~($100)~~] or more, in which case it is a Class D felony.

Section 8. KRS 514.120 is amended to read as follows:

(1) A person is guilty of obscuring the identity of a machine or other property when he:

(a) Removes, defaces, covers, alters, destroys or otherwise obscures the manufacturer's serial number or any other distinguishing identification number or mark including property marked with a social security number or motor vehicle operator's license number for identification purposes upon any automobile or other propelled vehicle, machine, or electrical or mechanical device or other property (including any part thereof) with intent to render it or other property unidentifiable; or

(b) Possesses any automobile or other propelled vehicle, machine, or electrical or mechanical device or other property (including any part thereof) knowing that the serial number or other identification number or mark including property marked with a social security number for identification purposes has been removed, defaced, covered, altered, destroyed or otherwise obscured.

(2) Possession of any automobile or other propelled vehicle, machine, or electrical or mechanical device or other property (including any part thereof) on which the serial number or any other distinguishing identification number or mark including property marked with a social security number or motor vehicle operator's license number for identification purposes has been removed, defaced, covered, altered, destroyed or otherwise obscured is prima facie evidence of knowledge of that fact.

(3) A person in possession of any property which is otherwise in violation of this section may apply in writing to the Kentucky state police, through any law enforcement agency in the county of his residence, for assignment of a number for the property providing he can show that he is the lawful owner of the property pursuant to the provisions of this section, KRS 16.200 and 500.090. If a number is issued in conformity with the provisions of this section, KRS 16.200 and 500.090 then the person to whom it was issued and any person to whom the property is lawfully disposed of shall not be in violation of these sections. A person lawfully holding a certification issued pursuant to KRS 500.090 shall also be deemed in compliance with this section. This section shall apply only when the application has been filed by the defendant prior to arrest or authorization of a warrant of arrest for the defendant by a court.

(4) Obscuring the identity of a machine or other property is a Class A misdemeanor unless the value of the property is ***three*** [~~one~~] hundred dollars ***($300)*** ($100) or more, in which case it is a Class D felony.

HB 697, AN ACT relating to partnerships.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 362.175 is amended to read as follows:

(1) A partnership is an association of two (2) or more persons to carry on as co-owners a business for profit.

(2) ***A partnership shall have the power, without limitation, to sue and be sued, complain, and defend in its partnership name.***

(3) But any association formed under any other statute of this state, or any statute adopted by authority, other than the authority of this state, is not a partnership under KRS 362.150 to 362.360, unless such association would have been a partnership in this state prior to the adoption of KRS 362.150 to 362.360; but KRS 362.150 to 362.360 shall apply to limited partnerships except in so far as the statutes relating to such partnerships are inconsistent herewith.

HB 710, AN ACT relating to police radios.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 432.570 is amended to read as follows:

(1) It shall be unlawful for any person except a member of a police department or police force or an official with written authorization from the head of a department which regularly maintains a police radio system authorized or licensed by the Federal Communications Commission, to have in his [~~or her~~] possession, or in an automobile or other vehicle, or to equip or install in or on any automobile or other vehicle, any mobile radio set or apparatus capable of either receiving or transmitting radio or other messages or signals within the wave length or channel now or which may hereafter be allocated by the Federal Communications Commission, or its successor, for the purpose of police radios, or which may in any way intercept or interfere with the transmission of radio messages by any police or other peace officers and it shall be unlawful for any car, automobile, or other vehicle other than one publicly owned and entitled to an official license plate issued by the state issuing a license for ***a*** [~~said~~] car, to have, or be equipped with such sets or apparatus even though ***the*** [~~said~~] car is owned by an officer. [~~Provided,~~] However, the provisions of this section shall not apply to any automobile or other vehicle owned or operated by a member of a sheriff's department authorized by the fiscal court to operate a radio communications system that is licensed by the Federal Communications Commission or other federal agency having the authority to license same.

(2) Any person guilty of violating any of the provisions of this section shall be guilty of a misdemeanor, and, upon conviction, shall be punished by a fine of not less than fifty dollars ($50) and not exceeding five hundred dollars ($500), or imprisonment not exceeding twelve (12) months, or both so fined and imprisoned.

(3) It shall be the duty of [~~any and~~] all peace officers to seize and hold for evidence [~~any and~~] all equipment had or used in violation of the provisions of this section, and, upon conviction of the person having, equipping, or using such equipment, it shall be the duty of the trial court to order ***the*** [~~such~~] equipment or apparatus destroyed, forfeited, or escheated to the Commonwealth of Kentucky, and ***the*** [~~said~~] property may be ordered destroyed, forfeited, or escheated as above provided without a conviction of the person charged with violating this section.

(4) Nothing contained in this section shall prohibit the possession of a radio by:

(a) An individual who is a retailer or wholesaler and in the ordinary course of his business offers such radios for sale or resale;

(b) A commercial or educational radio or television station, licensed by the Federal Communications Commission, at its place of business; or

(c) An individual who possesses such a radio, provided it is capable of receiving radio transmissions only and is not capable of sending or transmitting radio messages, at his place of residence; licensed commercial auto towing trucks; newspaper reporters and photographers, disaster and emergency services personnel authorized in writing by the state director of disaster and emergency service (for state personnel) or chief executive of the city or county (for their respective personnel); peace officers authorized in writing by the head of their law enforcement agency, Commonwealth's Attorneys and their assistants, county attorneys and their assistants, except that it shall be unlawful to use such radio to facilitate any criminal activity or to avoid apprehension by law enforcement officers. Violation of this section shall, in addition to any other penalty prescribed by law, result in a forfeiture to the local law enforcement agency of such radio.

(5) The secretary of the Finance and Administration Cabinet is hereby empowered by issuance of a secretary's order to exempt from the prohibitions and penalties of this section the possession and use of any and all radio communication equipment that he finds is necessary to be owned and used by members of the general public and other non-police persons for utilization in the N.O.A.A. weather radio system.

(6) Any person who transmits or causes to be transmitted a false radio message on a police frequency, with the intent to cause an unwarranted emergency response or otherwise to disrupt or interfere with police communications or operations, shall be guilty of a Class D felony.

HB 744, AN ACT relating to parole.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 439.320 is amended to read as follows:

(1) The Governor shall appoint a parole board consisting of seven (7) members[~~, one (1) of whom he shall name as chairman of the board~~]. He shall make each appointment from a list of three (3) names given to him by the Commission on Correction and Community Service. Each member appointed to the board must have had at least five (5) years of actual experience in the field of penology, correction work, law enforcement, sociology, law, education, social work, medicine or a combination thereof, or have served at least five (5) years previously on the parole board. No more than four (4) board members may be of the same political party. The board shall be attached to the Corrections Cabinet for administrative purposes only; the Corrections Cabinet shall provide such clerical, stenographic, administrative and expert staff assistance as the board deems necessary to carry out its duties.

(2) ***The Governor shall name one (1) member as chairman of the board.*** The chairman shall be the chief administrative officer of the board and shall be responsible for all administrative, organizational and personnel matters of the board.

(3) The members of the board shall give full time to the duties of their office and shall receive necessary traveling expenses and a salary to be determined pursuant to KRS 64.640(2), except the chairman of the board shall receive additional compensation of one thousand dollars ($1,000) per year for his services. Their term of office shall be four (4) years and until their successors are appointed and have qualified. Their successors shall be appointed thereafter as provided in this section for terms of four (4) years, and a vacancy occurring before expiration of the term of office shall be similarly filled for the unexpired term. The chairman of the board shall serve as such until the expiration of his term at which time the Governor shall name his successor and designate the chairman of the board. If a vacancy occurs in the chairmanship of the board before the expiration of the term the Governor may name a successor to serve for the remainder of the unexpired term.

(4) The organization of the board shall be determined by the chairman and a quorum of the board shall be as follows:

(a) For parole hearings, three (3) members; and

(b) For all other business, four (4) members. A decision by any three (3) member panel in a parole hearing shall be final unless any member of the full board requests that the full board hear the case, whereupon a parole hearing by not less than four (4) members of the board shall be held.

(5) The Governor may not remove any member of the board except for disability, inefficiency, neglect of duty, or malfeasance in office. Before such removal he shall give the member a written copy of the charges against him and shall fix the time when he can be heard in his defense, which shall not be less than ten (10) days thereafter. Upon removal the Governor shall file in the office of the Secretary of State a complete statement of all charges made against the member and the findings thereupon with a record of the proceedings.

(6) ***The two (2) terms which are set to expire on June 30, 1994 shall be filled by two (2) appointees who shall serve terms which expire June 30, 1995. Thereafter, appointments to these terms shall be for four (4) years and shall be filled as provided for in subsection three (3) of this section*** [~~Present members of the board shall be deemed to have vacated their appointment and successors shall be appointed as provided in subsection (3) of this section. The Governor may reappoint present members if they meet the qualifications set forth in subsection (1) of this section~~].

Section 2. KRS 439.340 is amended to read as follows:

(1) The board may release on parole such persons confined in any adult state penal or correctional institution of Kentucky or sentenced felons incarcerated in county jails as are eligible for parole. All paroles shall issue upon order of the board duly adopted. As soon as practicable after his admission to an adult state penal or correctional institution or county jail if he is a sentenced felon, and at such intervals thereafter as it may determine, the Corrections Cabinet shall obtain all pertinent information regarding each prisoner, except those not eligible for parole. Such information shall include his criminal record, his conduct, employment, and attitude in prison, and the reports of such physical and mental examinations as have been made. The

Corrections Cabinet shall furnish the circumstances of his offense and his previous social history to the institution and the board. The Corrections Cabinet shall prepare a report on such information as it obtains. It shall be the duty of the Corrections Cabinet to supplement this report with such material as the board may request and submit such report to the board.

(2) Before granting the parole of any prisoner, the board ***may*** [~~shall~~] consider the pertinent information regarding the prisoner and shall have him appear before it, or two (2) or more members for interview and hearing, ***and*** [~~except that~~] the board in its discretion may request the parole board of another state confining prisoners pursuant to KRS 196.610 to interview eligible prisoners and make a parole recommendation to the board. A parole shall be ordered only for the best interest of society and not as an award of clemency, and it shall not be considered a reduction of sentence or pardon. A prisoner shall be placed on parole only when arrangements have been made for his proper employment or for his maintenance and care, and when the board believes he is able and willing to fulfill the obligations of a law abiding citizen.

(3) The board shall adopt rules or regulations with respect to the eligibility of prisoners for parole, the conduct of parole and parole revocation hearings, or conditions to be imposed upon parolees. Regulations governing the eligibility of prisoners for parole shall be in accordance with professionally accepted ideas of correction and reform and may utilize in part objective, performance-based criteria; however, nothing herein contained shall preclude the board from utilizing its present regulations in conjunction with such other factors involved that would relate to the inmate's needs and the safety of the public.

(4) The board shall insure that sentenced felons confined in county jails are considered for parole within thirty (30) days of their parole eligibility date and the Corrections Cabinet shall provide the necessary assistance and information to the board in order for it to conduct such timely parole reviews.

(5) In addition to or in conjunction with each hearing conducted under subsection (2) of this section for any prisoner convicted of a Class A, B, or C felony and prior to the granting of a parole to any such prisoner, the parole board shall conduct a hearing of which the following persons shall receive not less than forty-five (45) nor more than ninety (90) days' notice: the Commonwealth's attorney who shall notify the sheriff of every county and the chief of police of every city and county in which the prisoner committed any Class A, B, or C felony for which he is imprisoned, and all identified victims of such crimes or the next of kin of any victim who is deceased. Notice to the Commonwealth's attorney shall be by mail to his business office. Notices received by chiefs of police and sheriffs shall be posted in a conspicuous location where police employed by the department may see it. Notices shall be posted in a manner and at a time that will allow officers to make comment thereon to the parole board. Notice to victims or their next of kin shall be made, for prisoners incarcerated prior to July 15, 1986, by mail to the Commonwealth's attorney who shall forward the notice promptly to the victims or their next of kin at their last known address. For prisoners incarcerated on or after July 15, 1986, notice to the victims or their next of kin shall be by mail from the parole board to their last known address as provided by the Commonwealth's attorney to the parole board at the time of incarceration of the prisoner. The notice shall include the time, date, and place of the hearing provided for in this subsection, and the name and address of a person to write in the event the recipient of the notice desires to attend the hearing or to submit written comments.

(6) Persons receiving notice as provided for in subsection (5) of this section may submit comments, in person or in writing, to the board upon all issues relating to the parole of the prisoner. The board shall read and consider all such comments prior to making its parole decision, provided they are received by the board not less than seven (7) days before the date for the hearing. The board shall retain all such comments in the prisoner's permanent parole board file, and shall consider them in conjunction with any subsequent parole decisions affecting the prisoner. In addition to officers listed in subsection (5) of this section, the crime victims or the next of kin of any victim who is deceased or who is disabled and cannot attend the hearing or the parent or legal guardian of any victim who is a minor shall have the right to attend the hearing provided for in subsection (5) of this section and present oral and written comments upon all issues relating to the parole of the prisoner, provided only that such persons shall have advised the board, in writing received by the board not less than seven (7) days prior to the date set for the hearing, of his intention to attend the hearing. The board shall receive and consider all such comments, shall make a record of them which it shall retain in the prisoner's permanent parole board file, and shall consider them in conjunction with any subsequent parole decision affecting the prisoner. Persons appearing before the parole board pursuant to this subsection may elect to make their presentations outside of the presence of the prisoner.

(7) Any hearing provided for in subsections (5) and (6) of this section shall be open to the public unless the persons having a right to appear before the board as specified in those subsections request closure of such hearing for reasons of personal safety, in which event the hearing shall be closed.

(8) Except as specifically set forth in this section, nothing in this section shall be deemed to expand or abridge any existing rights of persons to contact and communicate with the parole board or any of its members, agents, or employees.

(9) The unintentional failure by the parole board, sheriff, chief of police, or any of its members, agents, or employees or by a Commonwealth's attorney or any of his agents or employees to comply with any of the provisions of subsections (5), (6), and (7) of this section shall not affect the validity of any parole decision or give rise to any right or cause of action by the crime victim, the prisoner, or any other person.

(10) No eligible sexual offender within the meaning of KRS 197.400 to 197.440 shall be granted parole unless he has successfully completed the sexual offender treatment program.

(11) Any prisoner who is granted parole after completion of the sexual offender treatment program shall be required, as a condition of his parole, to participate in regular treatment in a mental health program approved or operated by the Corrections Cabinet.

(12) Whenever an order for parole is issued, it shall recite the conditions thereof.

SECTION 3. A NEW SECTION OF KRS CHAPTER 439.3401 TO KRS 439.341 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding any statute establishing minimum parole eligibility for a certain class or status of offender, to include KRS 439.3401 and KRS 532.080, the board, with the written consent of a majority of the full board, may review the case of any prisoner and release that prisoner on parole earlier than such minimum parole eligibility, when the prisoner has a documented severe, acute, or critical medical condition and would not pose a threat to society if paroled earlier than his minimum parole eligibility date.

(2) The board shall review prisoners for early release under this section based solely on medical findings supplied by Department of Corrections medical staff. The medical staff shall provide in writing the prisoner's diagnosis and prognosis in support of the conclusion that the prisoner suffers from a severe, acute, or critical medical condition.

(3) The medical information prepared by the Department of Corrections medical staff under this section shall be forwarded to the warden of the institution who shall submit that information and a recommendation for or against early parole review to the Commissioner of the Department of Corrections or his designee. With the approval of the Commissioner of the Department of Corrections, a request for early parole review, along with the medical information and warden's recommendation, may be submitted to the board.

The Committee Amendment No. 1 to **HB 744** is as follows:

Amend printed copy of **HB 744** on page 4, line 22, to delete *"**may**"* and to remove the brackets and strikethroughs from the word "shall";

And on page 4, line 23, following "and" to add *"**may**"* and to place brackets around and strike through "shall".

The Committee Amendment No. 2 to **HB 744** is as follows:

Amend printed copy of **HB 744** on page 9, line 26, after "***acute***" by deleting the word "***or***" and following "***critical***" by inserting the words "***, or terminal***";

And on page 10, line 9, by deleting "***or***" and following the word "***critical***" by inserting the words "***, or terminal***".

HB 756, AN ACT relating to the election of judges.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 118A.100 is amended to read as follows:

(1) Candidates for an unexpired term of a judicial office to be filled at a regular election shall be nominated at the primary next preceding the regular election in the manner prescribed in KRS 118A.060 if the vacancy occurs not less than one hundred thirty-four (134) days before the primary. If the vacancy occurs on or after the one hundred thirty-fourth day before the primary, the election to fill the unexpired term shall be held in accordance with the procedures described in this section and Section 152 of the Constitution of Kentucky.

(2) [~~If in a regular election for judicial office no candidates nominated as provided in KRS 118A.060 are available due to death, incapacity or withdrawal, and the candidates have not been replaced as provided in KRS 118A.060, the election to fill the regular term shall be conducted in the manner prescribed in subsections (3) through (11) of this section.~~

~~(3)~~] Each candidate shall file a petition for candidacy with the Secretary of State at least ninety-one (91) days before the day fixed by law for holding the regular election. The petition shall be filed no later than 4 p.m. local time at the place of filing when filed on the last date on which the papers are permitted to be filed.

(3)[~~(4)~~] The petition for candidacy shall be in the form prescribed by the State Board of Elections. Titles, ranks or spurious phrases shall not be accepted on the petition and shall not be printed on the ballots as part of the candidate's name; however, nicknames, initials and contractions of given names may be acceptable as the candidate's name.

(4)[~~(5)~~] The Secretary of State shall examine the petition of each candidate to determine whether it is regular on its face. If there is an error, the Secretary of State shall notify the candidate by certified mail within twenty-four (24) hours of filing.

(5)[~~(6)~~] The order of names on the ballot for each district or circuit, and numbered division thereof if divisions exist, shall be determined by lot at a public drawing to be held in the office of the Secretary of State at 2:00 p.m., standard time, eighty-eight (88) days before the regular election.

(6)[~~(7)~~] Not less than seventy-seven (77) days before the regular election, and after the order of names on the ballot has been determined as required in subsection (6) of this section, the Secretary of State shall:

(a) Certify to the county clerks of the respective counties entitled to participate in the election of the various candidates, the name and place of residence of each candidate for each office, by district or circuit, and numbered division thereof if divisions exist, as specified in the petitions for candidacy filed with him; and

(b) Designate for the county clerks the office of the Court of Justice with which the names of candidates shall be printed and the order in which they are to appear on the ballot.

(7)[~~(8)~~] The ballot position of a candidate shall not be changed after the ballot position has been designated by the county clerk.

(8)[~~(9)~~] The county clerks of each county shall cause to be printed on the ballot labels for the voting machines and on the absentee ballots for the regular election the names of the candidates for offices of the Court of Justice.

(9)[~~(10)~~] The names of the candidates shall be placed on the voting machine in a separate column or columns or in a separate line or lines and identified by the words "Judicial Ballot," and in such a manner that the casting of a vote for all of the candidates of a political party will not operate to cast a vote for judicial candidates. The words "Vote for one" or "Vote for one in each division," shall be printed on the appropriate location. The office, numbered division thereof if divisions exist, and the candidates therefor shall be clearly labelled. No party designation or emblem of any kind, nor any sign indicating any candidate's political belief or party affiliation, shall be used on voting machines or special ballots.

(10)[~~(11)~~] The candidate receiving the highest number of votes cast at the regular election for a district or circuit, or for a numbered division thereof if divisions exist, shall be elected.

SECTION 2. A NEW SECTION OF KRS CHAPTER 118A IS CREATED TO READ AS FOLLOWS:

(1) If two (2) or more candidates are to appear on a judicial ballot for a regular election pursuant to KRS 118A.100(2) to (10) and all but one (1) or all of the candidates are unavailable due to death, incapacity, or withdrawal, the Secretary of State shall accept additional petitions for candidacy and the election shall be conducted in the manner prescribed in subsections (4) to (12) of this section.

(2) If two (2) candidates are to appear on a judicial ballot for a regular election and if either or both candidates is unavailable due to death, incapacity, or withdrawal, the Secretary of State shall accept additional petitions for candidacy and the election shall be conducted in the manner prescribed in subsections (4) to (12) of this section.

(3) If one (1) uncontested candidate is to appear on a judicial ballot for a regular election and that candidate is unavailable due to death, incapacity, or withdrawal, the Secretary of State shall accept additional petitions for candidacy and the election shall be conducted in the manner prescribed in subsections (4) to (12) of this section.

(4) The Secretary of State shall declare the ballot open for a period to be established by the Secretary of State not to exceed ten (10) days following the death, incapacity, or withdrawal of the nominated candidate. Each candidate shall file a petition for candidacy with the Secretary of State no later than 4 p.m. local time at the place of filing when filed on the last date on which the papers are permitted to be filed.

(5) The petition for candidacy shall be in the form prescribed by the State Board of Elections. The petition shall be signed by the candidate and by not less than two hundred fifty (250) registered voters from the district or circuit from which he seeks candidacy. Titles, ranks, or spurious phrases shall not be accepted on the petition and shall not be printed on the ballots as part of the candidate's name; however, nicknames, initials, and contractions of given names may be acceptable as part of the candidate's name.

(6) The Secretary of State shall examine the petition of each candidate to determine whether it is regular on its face. If there is an error, the Secretary of State shall notify the candidate by whatever expedient means necessary to allow the candidate to refile prior to the printing of the ballot.

(7) The order of names on the ballot for each district or circuit, and numbered division thereof if divisions exist, shall be determined by lot at a public drawing to be held in the office of the Secretary of State at 2 p.m., standard time, forty-eight (48) hours before the printing of the ballot.

(8) Not less than twenty-four (24) hours before the regular election, and after the order of names on the ballot has been determined as required in subsection (7) of this section, the Secretary of State shall:

(a) Certify to the county clerks of the respective counties entitled to participate in the election of the various candidates, the name and place of residence of each candidate for each office, by district or circuit, and numbered division thereof if divisions exist, as specified in the petitions for candidacy filed with him; and

(b) Designate for the county clerks the office of the Court of Justice with which the names of candidates shall be printed and the order in which they are to appear on the ballot.

(9) The ballot position of a candidate shall not be changed after the ballot position has been designated by the Secretary of State.

(10) The county clerk of each county shall cause to be printed on the ballot labels for the voting machines and on the absentee ballots for the regular election the names of the candidates for offices of the Court of Justice.

(11) The names of the candidates shall be placed on the voting machine in a separate column or columns or in a separate line or lines and identified by the words "Judicial Ballot," and in a manner so that the casting of a vote for all of the candidates of a political party will not operate to cast a vote for judicial candidates. The words "Vote for one" or "Vote for one in each division," shall be printed on the appropriate location. The office, numbered division thereof if divisions exist, and the candidates therefor shall be clearly labelled. No party designation or emblem of any kind, nor any sign indicating any candidate's political belief or party affiliation, shall appear on voting machines or special ballots.

(12) The candidate receiving the highest number of votes cast at the regular election for a district or circuit, or for a number division thereof if divisions exist, shall be elected.

Section 3. KRS 118A.060 is amended to read as follows:

(1) Except as provided in KRS 118A.100 [~~and 118A.110~~], no person's name shall appear on a ballot label or special ballot for an office of the Court of Justice without first having been nominated as provided in this section.

(2) Each candidate for nomination shall file a petition for nomination with the Secretary of State not less than one hundred nineteen (119) days before the day fixed by law for holding the primary election. The petition shall be signed by the candidate and by not less than two (2) registered voters from the district or circuit from which he seeks nomination. The petition shall be filed no later than 4 p.m. local time at the place of filing when filed on the last date on which such papers are permitted to be filed.

(3) The petition for nomination shall be in the form prescribed by the State Board of Elections. Titles, ranks, or spurious phrases shall not be accepted on the petition and shall not be printed on the ballots as part of the candidate's name; however, nicknames, initials, and contractions of given names may be acceptable as the candidate's name.

(4) The Secretary of State shall examine the petition of each candidate to determine whether it is regular on its face. If there is an error, the Secretary of State shall notify the candidate by certified mail within twenty-four (24) hours of filing. The order of names on the ballot for each district or circuit, and numbered division thereof if divisions exist, shall be determined by lot at a public drawing to be held in the office of the Secretary of State at 2:00 p.m., standard time, one hundred sixteen (116) days before the primary election.

(5) Not less than ninety-eight (98) days before the primary election, and after the order of names on the ballot has been determined as required in subsection (4) of this section, the Secretary of State shall:

(a) Certify to the county clerks of the respective counties entitled to participate in the election of the various candidates, the name and place of residence of each candidate for each office, by district or circuit, and numbered division thereof if divisions exist, as specified in the petitions for nomination filed with him; and

(b) Designate for the county clerks the office of the Court of Justice with which the names of candidates shall be printed and the order in which they are to appear on the ballot.

(6) The ballot position of a candidate shall not be changed after the ballot position has been designated by the county clerk.

(7) The county clerks of each county shall cause to be printed on the ballot labels for the voting machines and on the special ballots for the primary the names of the candidates for offices in the Court of Justice.

(8) The names of the candidates shall be placed on the voting machine in a separate column or columns or in a separate line or lines and identified by the words "Judicial Ballot." The words "Vote for one," or "Vote for one in each division," shall be printed on the ballot in an appropriate location. The office, numbered division thereof if divisions exist, and the candidates therefor shall be clearly labelled. No party designation or emblem of any kind, nor any sign indicating any candidate's political belief or party affiliation, shall be used on voting machines or special ballots.

(9) The two (2) candidates receiving the highest number of votes for nomination for justice or judge of a district or circuit, or numbered division thereof if divisions exist, shall be nominated. Certificates of nomination shall be issued as provided in KRS 118A.190.

(10) If it appears after expiration of the time for filing petitions for nomination that there are not more than two (2) candidates who have filed the necessary petitions for a place on the ballot in the regular election, no drawing for ballot position shall be held and the Secretary of State shall immediately issue and file in his office certificates of nomination, and send copies to the candidates.

Section 4. KRS 118A.140 is amended to read as follows:

(1) The Secretary of State shall keep a book entitled "Register of Candidates for Nomination to Offices of the Court of Justice," and shall enter in that book the name and place of residence of each candidate for nomination to the office of justice or judge in the primary election and the date of receipt of his nomination papers. The book shall be a public record.

(2) Petitions for candidacy filed pursuant to KRS 118A.100 [~~and 118A.110~~] shall also be entered in this book.

Section 5. The following KRS sections are repealed:

118A.105 Filling vacancy where only one nominee in race.

118A.110 Initial election of judges to Court of Appeals.

Section 6. This Act shall become effective January 1, 1993.

SB 6, AN ACT relating to the Kentucky Unified Juvenile Code.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 640.010 is amended to read as follows:

(1) For children who are alleged to be youthful offenders by falling in the purview of KRS 635.020(2), (3), (4), (5), (6), or (7), the court shall at arraignment assure that the child's rights as specified in KRS 610.060 have been explained and followed.

(2) In the case of a child alleged to be a youthful offender by falling within the purview of KRS 635.020, the court shall upon motion by the county attorney to proceed under this chapter, conduct a preliminary hearing to determine if the child should be transferred to circuit court as a youthful offender. The preliminary hearing shall be conducted in accordance with the Rules of Criminal Procedure.

(a) At the preliminary hearing, the court shall determine if there is probable cause to believe that an offense was committed, that the child committed the offense, and that the child is of sufficient age and has the requisite number of prior adjudications, if any, necessary to fall within the purview of KRS 635.020.

(b) If the court determines probable cause exists, the court shall consider the following factors before determining whether the child's case shall be transferred to the circuit court:

1. The seriousness of the alleged offense;

2. Whether the offense was against persons or property, with greater weight being given to offenses against persons;

3. The maturity of the child as determined by his environment;

4. The child's prior record;

5. The best interest of the child and community;

6. The prospects of adequate protection of the public; and

7. The likelihood of reasonable rehabilitation of the child by the use of procedures, services and facilities currently available to the juvenile justice system.

(c) If, following the completion of the preliminary hearing, the court is of the opinion, after considering the factors enumerated in subsection (b) of this section, that the child should be transferred to circuit court, the court shall issue an order transferring the child as a youthful offender and shall state on the record the reasons for the transfer. The child shall then be proceeded against in the circuit court as an adult, except as otherwise provided in this chapter.

(d) If, following completion of the preliminary hearing, the court is of the opinion, after considering the factors enumerated in subsection (b) of this section that the child shall not be transferred to the circuit court, the case shall be dealt with as provided in KRS Chapter 635.

(3) If the child is transferred to circuit court under this section and the grand jury does not find that there is probable cause to indict the child as a youthful offender, as defined in KRS 635.020(2), (3), [~~and~~] (4), ***and (6)*** but does find that there is probable cause to indict the child for another criminal offense, the child shall not be tried as a youthful offender in circuit court but shall be returned to district court to be dealt with as provided in KRS Chapter 635.

SB 47, AN ACT relating to the Uniform Commercial Code.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

AMENDMENTS TO ARTICLE 2A

LEASES

Section 1. KRS 355.2A-103 is amended to read as follows:

(1) In this article unless the context otherwise requires:

(a) "Buyer in ordinary course of business" means a person who in good faith and without knowledge that the sale to him is in violation of the ownership rights or security interest or leasehold interest of a third party in the goods, buys in ordinary course from a person in the business of selling goods of that kind but does not include a pawnbroker. "Buying" may be for cash or by exchange of other property or on secured or unsecured credit and includes receiving goods or documents of title under a pre-existing contract for sale but does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

(b) "Cancellation" occurs when either party puts an end to the lease contract for default by the other party.

(c) "Commercial unit" means such a unit of goods as by commercial usage is a single whole for purposes of lease and division of which materially impairs its character or value on the market or in use. A commercial unit may be a single article, as a machine, or a set of articles, as a suite of furniture or a line of machinery, or a quantity, as a gross or carload, or any other unit treated in use or in the relevant market as a single whole.

(d) "Conforming" goods or performance under a lease contract means goods or performance that are in accordance with the obligations under the lease contract.

(e) "Consumer lease" means a lease that a lessor regularly engaged in the business of leasing or selling makes to a lessee[~~, except an organization,~~] who ***is an individual and who*** takes under the lease primarily for a personal, family, or household purpose.

(f) "Fault" means wrongful act, omission, breach, or default.

(g) "Finance lease" means a lease ***with respect to*** [~~in~~] which:

1. The lessor does not select, manufacture, or supply the goods;

2. The lessor acquires the goods or the right to possession and use of the goods in connection with the lease; and

3. ***One of the following occurs:***

a. [~~Either~~] The lessee receives a copy of the contract ***by which the lessor acquired the goods or the right to possession and use*** [~~evidencing the lessor's purchase~~] of the goods [~~on or~~] before signing the lease contract***;***

b. [~~, or~~] The lessee's approval of the contract ***by which the lessor acquired the goods or the right to possession and use*** [~~evidencing the lessor's purchase~~] of the goods is a condition to effectiveness of the lease contract***;***

c. The lessee, before signing the lease contract, receives an accurate and complete statement designating the promises and warranties, and any disclaimers of warranties, limitations or modifications of remedies, or liquidated damages, including those of a third party, such as the manufacturer of the goods, provided to the lessor by the person supplying the goods in connection with or as part of the contract by which the lessor acquired the goods or the right to possession and use of the goods; or

d. If the lease is not a consumer lease, the lessor, before the lessee signs the lease contract, informs the lessee in writing (a) of the identity of the person supplying the goods to the lessor, unless the lessee has selected that person and directed the lessor to acquire the goods or the right to possession and use of the goods from that person, (b) that the lessee is entitled under this article to the promises and warranties, including those of any third party, provided to the lessor by the person supplying the goods in connection with or as part of the contract by which the lessor acquired the goods or the right to possession and use of the goods, and (c) that the lessee may communicate with the person supplying the goods to the lessor and receive an accurate and complete statement of those promises and warranties, including any disclaimers and limitations of them or of remedies.

(h) "Goods" means all things that are movable at the time of identification to the lease contract, or are fixtures (KRS 355.2A-309), but the term does not include money, documents, instruments, accounts, chattel paper, general intangibles, or minerals or the like, including oil and gas, before extraction. The term also includes the unborn young of animals.

(i) "Installment lease contract" means a lease contract that authorizes or requires the delivery of goods in separate lots to be separately accepted, even though the lease contract contains a clause "each delivery is a separate lease" or its equivalent.

(j) "Lease" means a transfer of the right to possession and use of goods for a term in return for consideration, but a sale, including a sale on approval or a sale or return, or retention or creation of a security interest is not a lease. Unless the context clearly indicates otherwise, the term includes a sublease.

(k) "Lease agreement" means the bargain, with respect to the lease, of the lessor and the lessee in fact as found in their language or by implication from other circumstances including course of dealing or usage of trade or course of performance as provided in this article. Unless the context clearly indicates otherwise, the term includes a sublease agreement.

(l) "Lease contract" means the total legal obligation that results from the lease agreement as affected by this article and any other applicable rules of law. Unless the context clearly indicates otherwise, the term includes a sublease contract.

(m) "Leasehold interest" means the interest of the lessor or the lessee under a lease contract.

(n) "Lessee" means a person who acquires the right to possession and use of goods under a lease. Unless the context clearly indicates otherwise, the term includes a sublessee.

(o) "Lessee in ordinary course of business" means a person who in good faith and without knowledge that the lease to him is in violation of the ownership rights or security interest or leasehold interest of a third party in the goods leases in ordinary course from a person in the business of selling or leasing goods of that kind but does not include a pawnbroker. "Leasing" may be for cash or by exchange of other property or on secured or unsecured credit and includes receiving goods or documents of title under a pre-existing lease contract but does not include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

(p) "Lessor" means a person who transfers the right to possession and use of goods under a lease. Unless the context clearly indicates otherwise, the term includes a sublessor.

(q) "Lessor's residual interest" means the lessor's interest in the goods after expiration, termination, or cancellation of the lease contract.

(r) "Lien" means a charge against or interest in goods to secure payment of a debt or performance of an obligation, but the term does not include a security interest.

(s) "Lot" means a parcel or a single article that is the subject matter of a separate lease or delivery, whether or not it is sufficient to perform the lease contract.

(t) "Merchant lessee" means a lessee that is a merchant with respect to goods of the kind subject to the lease.

(u) "Present value" means the amount as of a date certain of one or more sums payable in the future, discounted to the date certain. The discount is determined by the interest rate specified by the parties if the rate was not manifestly unreasonable at the time the transaction was entered into; otherwise, the discount is determined by a commercially reasonable rate that takes into account the facts and circumstances of each case at the time the transaction was entered into.

(v) "Purchase" includes taking by sale, lease, mortgage, security interest, pledge, gift, or any other voluntary transaction creating an interest in goods.

(w) "Sublease" means a lease of goods the right to possession and use of which was acquired by the lessor as a lessee under an existing lease.

(x) "Supplier" means a person from whom a lessor buys or leases goods to be leased under a finance lease.

(y) "Supply contract" means a contract under which a lessor buys or leases goods to be leased.

(z) "Termination" occurs when either party pursuant to a power created by agreement or law puts an end to the lease contract otherwise than for default.

(2) Other definitions applying to this article and the sections in which they appear are:

"Accessions". Subsection (1) of KRS 355.2A-310.

"Construction mortgage". Subsection (1)(d) of KRS 355.2A-309.

"Encumbrance". Subsection (1)(e) of KRS 355.2A-309.

"Fixtures". Subsection (1)(a) of KRS 355.2A-309.

"Fixture filing". Subsection (1)(b) of KRS 355.2A-309.

"Purchase money lease". Subsection (1)(c) of KRS 355.2A-309.

(3) The following definitions in other articles apply to this article:

"Account" [~~"Accounts"~~]. KRS 355.9-106.

"Between merchants". KRS 355.2-104(3).

"Buyer". KRS 355.2-103(1)(a).

"Chattel paper". KRS 355.9-105(1)(b).

"Consumer goods". KRS 355.9-109(1).

"Document" [~~"Documents"~~]. KRS 355.9-105(1)(f).

"Entrusting". KRS 355.2-403(3).

"General intangibles". KRS 355.9-106.

"Good faith". KRS 355.2-103(1)(b).

"Instrument" [~~"Instruments"~~]. KRS 355.9-105(1)(i).

"Merchant". KRS 355.2-104(1).

"Mortgage". KRS 355.9-105(1)(j).

"Pursuant to commitment". KRS 355.9-105(1)(k).

"Receipt". KRS 355.2-103(1)(c).

"Sale". KRS 355.2-106(1).

"Sale on approval". KRS 355.2-326.

"Sale or return". KRS 355.2-326.

"Seller". KRS 355.2-103(1)(d).

(4) In addition Article 1 contains general definitions and principles of construction and interpretation applicable throughout this article.

Section 2. KRS 355.2A-104 is amended to read as follows:

(1) A lease, although subject to this article, is also subject to any applicable:

(a) [~~Statute of the United States;~~

~~(b)~~] Certificate of title statute of this state;

(b)[~~(c)~~] Certificate of title statute of another jurisdiction (KRS 355.2A-105); or

(c)[~~(d)~~] Consumer protection statute of this state***, or final consumer protection decision of a court of this state existing on the effective date of this article.***

(2) In case of conflict between [~~the provisions of~~] this article, other than KRS 355.2A-105, subsection (3) of KRS 355.2A-304, and subsection (3) of KRS 355.2A-305, and ***a*** [~~any~~] statute ***or decision*** referred to in subsection (1), the [~~provisions of that~~] statute ***or decision controls*** [~~control~~].

(3) Failure to comply with ***an*** [~~any~~] applicable ***law*** [~~statute~~] has only the effect specified therein.

Section 3. KRS 355.2A-209 is amended to read as follows:

(1) The benefit of ***a*** [~~the~~] supplier's promises to the lessor under the supply contract and of all warranties, whether express or implied, ***including those of any third party provided in connection with or as part of*** [~~under~~] the supply contract, extends to the lessee to the extent of the lessee's leasehold interest under a finance lease related to the supply contract, but ***is*** subject to the terms of the ***warranty and of the*** supply contract and all [~~of the supplier's~~] defenses or claims arising therefrom.

(2) The extension of the benefit of ***a*** [~~the~~] supplier's promises and ***of*** warranties to the lessee (subsection (1) of this section) does not:

(a) Modify the rights and obligations of the parties to the supply contract, whether arising therefrom or otherwise, or

(b) Impose any duty or liability under the supply contract on the lessee.

(3) Any modification or rescission of the supply contract by the supplier and the lessor is effective ***between the supplier and*** [~~against~~] the lessee unless, ***before*** [~~prior to~~] the modification or rescission, the supplier has received notice that the lessee has entered into a finance lease related to the supply contract. ***If the modification or rescission is effective between the supplier and the lessee, the lessor is deemed to have assumed, in addition to the obligations of the lessor to the lessee under the lease contract, promises of the supplier to the lessor and warranties that were so modified or rescinded as they existed and were available to the lessee before modification or rescission*** [~~If the supply contract is modified or rescinded after the lessee enters the finance lease, the lessee has a cause of action against the lessor, and against the supplier if the supplier has notice of the lessee's entering the finance lease when the supply contract is modified or rescinded. The lessee's recovery from such action shall put the lessee in as good a position as if the modification or rescission had not occurred~~].

(4) In addition to the extension of the benefit of the supplier's promises and of warranties to the lessee under subsection (1), the lessee retains all rights that the lessee may have against the supplier which arise from an agreement between the lessee and the supplier or under other law.

Section 4. KRS 355.2A-303 is amended to read as follows:

(1) ***As used in this section, "creation of a security interest" includes the sale of a lease contract that is subject to Article 9, Secured Transactions, by reason of KRS 355.9-102(1)(b)*** [~~Any interest of a party under a lease contract and the lessor's residual interest in the goods may be transferred unless:~~

~~(a) The transfer is voluntary and the lease contract prohibits the transfer; or~~

~~(b) The transfer materially changes the duty of or materially increases the burden or risk imposed on the other party to the lease contract, and within a reasonable time after notice of the transfer the other party demands that the transferee comply with subsection (2) and the transferee fails to comply~~].

(2) ***Except as provided in subsections (3) and (4), a provision in a lease agreement which (i) prohibits the voluntary or involuntary transfer, including a transfer by sale, sublease, creation, or enforcement of a security interest, or attachment, levy, or other judicial process, of an interest of a party under the lease contract or of the lessor's residual interest in the goods, or (ii) makes such a transfer an event of default, gives rise to the rights and remedies provided in subsection (5), but a transfer that is prohibited or is an event of default under the lease agreement is otherwise effective*** [~~Within a reasonable time after demand pursuant to subsection (1)(b), the transferee shall:~~

~~(a) Cure or provide adequate assurance that he will promptly cure any default other than one arising from the transfer;~~

~~(b) Compensate or provide adequate assurance that he will promptly compensate the other party to the lease contract and any other person holding an interest in the lease contract, except the party whose interest is being transferred, for any loss to that party resulting from the transfer;~~

~~(c) Provide adequate assurance of future due performance under the lease contract; and~~

~~(d) Assume the lease contract~~].

(3) ***A provision in a lease agreement which (i) prohibits the creation or enforecement of a security interest in an interest of a party under the lease contract or in the lessor's residual interest in the goods,***

or (ii) makes such a transfer an event of default, is not enforceable unless, and then only to the extent that, there is an actual transfer by the lessee of the lessee's right of possession or use of the goods in violation of the provision or an actual delegation of a material performance of either party to the lease contract in violation of the provision. Neither the granting nor the enforcement of a security interest in (i) the lessor's interest under the lease contract or (ii) the lessor's residual interest in the goods is a transfer that materially impairs the prospect of obtaining return performance by, materially changes the duty of, or materially increases the burden or risk imposed on, the lessee within the purview of subsection (5) unless, and then only to the extent that, there is an actual delegation of a material performance of the lessor [~~Demand pursuant to subsection (1)(b) is without prejudice to the other party's rights against the transferee and the party whose interest is transferred~~].

(4) ***A provision in a lease agreement which (i) prohibits a transfer of a right to damages for default with respect to the whole lease contract or of a right to payment arising out of the transferor's due performance of the transferor's entire obligation, or (ii) makes such a transfer an event of default, is not enforceable, and such a transfer is not a transfer that materially impairs the prospect of obtaining return performance by, materially changes the duty of, or materially increases the burden or risk imposed on, the other party to the lease contract within the purview of subsection (5).***

(5) Subject to subsections (3) and (4):

(a) If a transfer is made which is made an event of default under a lease agreement, the party to the lease contract not making the transfer, unless that party waives the default or otherwise agrees, has the rights and remedies described in KRS 355.2A-501(2);

(b) If paragraph (a) is not applicable and if a transfer is made that (i) is prohibited under a lease agreement or (ii) materially impairs the prospect of obtaining return performance by, materially changes the duty of, or materially increases the burden or risk imposed on, the other party to the lease contract, unless the party not making the transfer agrees at any time to the transfer in the lease contract or otherwise, then, except as limited by contract, (i) the transferor is liable to the party not making the transfer for damages caused by the transfer to the extent that the damages could not reasonably be prevented by the party not making the transfer and (ii) a court having jurisdiction may grant other appropriate relief, including cancellation of the lease contract or an injunction against the transfer.

(6)[~~(4)~~] ***A transfer*** [~~An assignment~~] of "the lease" or of "all my rights under the lease", or ***a transfer*** [~~an assignment~~] in similar general terms, is a transfer of rights[~~,~~] and, unless the language or the circumstances, as in ***a transfer*** [~~an assignment~~] for security, indicate the contrary, the ***transfer*** [~~assignment~~] is a delegation of duties by the ***transferor to the transferee. Acceptance*** [~~assignor to the assignee and acceptance~~] by the ***transferee*** [~~assignee~~] constitutes a promise by ***the transferee*** [~~him~~] to perform those duties. ***The*** [~~This~~] promise is enforceable by either the ***transferor*** [~~assignor~~] or the other party to the lease contract.

(7)[~~(5)~~] Unless otherwise agreed by the lessor and the lessee, ***a*** [~~no~~] delegation of performance ***does not relieve*** [~~relieves~~] the ***transferor*** [~~assignor~~] as against the other party of any duty to perform or ***of*** any liability for default.

[~~(6) A right to damages for default with respect to the whole lease contract or a right arising out of the assignor's due performance of his entire obligation can be assigned despite agreement otherwise.~~]

(8)[~~(7)~~] ***In a consumer lease,*** to prohibit the transfer of an interest of a party under ***the*** [~~a~~] lease contract ***or to make a transfer an event of default***, the language [~~of prohibition~~] must be specific, by a writing, and conspicuous.

Section 5. KRS 355.2A-304 is amended to read as follows:

(1) Subject to [~~the provisions of~~] KRS 355.2A-303, a subsequent lessee from a lessor of goods under an existing lease contract obtains, to the extent of the leasehold interest transferred, the leasehold interest in the goods that the lessor had or had power to transfer, and except as provided in subsection (2) of this section and subsection (4) of KRS 355.2A-527, takes subject to the existing lease contract. A lessor with voidable title has power to transfer a good leasehold interest to a good faith subsequent lessee for value, but only to the extent set forth in the preceding sentence. ***If*** [~~When~~] goods have been delivered under a transaction of purchase, the lessor has that power even though:

(a) The lessor's ***transferor*** [~~transferer~~] was deceived as to the identity of the lessor;

(b) The delivery was in exchange for a check which is later dishonored;

(c) It was agreed that the transaction was to be a "cash sale"; or

(d) The delivery was procured through fraud punishable as larcenous under the criminal law.

(2) A subsequent lessee in the ordinary course of business from a lessor who is a merchant dealing in goods of that kind to whom the goods were entrusted by the existing lessee ***of that lessor*** before the interest of the subsequent lessee became enforceable against ***that*** [~~the~~] lessor obtains, to the extent of the leasehold interest transferred, all of ***that*** [~~the~~] lessor's and the existing lessee's rights to the goods, and takes free of the existing lease contract.

(3) A subsequent lessee from the lessor of goods that are subject to an existing lease contract and are covered by a certificate of title issued under a statute of this state or of another jurisdiction takes no greater rights than those provided both by this section and by the certificate of title statute.

Section 6. KRS 355.2A-307 is amended to read as follows:

(1) Except as otherwise provided in KRS 355.2A-306, a creditor of a lessee takes subject to the lease contract.

(2) Except as otherwise provided in subsections (3) and (4) of this section and in KRS 355.2A-306 and 355.2A-308, a creditor of a lessor takes subject to the lease contract ***unless***:

(a) [~~Unless~~] The creditor holds a lien that attached to the goods before the lease contract became enforceable; [~~or~~]

(b) [~~Unless~~] The creditor holds a security interest in the goods ***and the lessee did not give value and receive delivery of the goods without knowledge of the security interest; or***

(c) The creditor holds a security interest in the goods which was perfected (KRS 355.9-303) before the lease contract became enforceable [~~that under the Article on Secured Transactions (Article 9) would have priority over any other security interest in the goods perfected by a filing covering the goods and made at the time the lease contract became enforceable, whether or not any other security interest existed~~].

(3) A lessee in the ordinary course of business takes the leasehold interest free of a security interest in the goods created by the lessor even though the security interest is perfected ***(KRS 355.9-303)*** and the lessee knows of its existence.

(4) A lessee other than a lessee in the ordinary course of business takes the leasehold interest free of a security interest to the extent that it secures future advances made after the secured party acquires knowledge of the lease or more than forty-five (45) days after the lease contract becomes enforceable, whichever first occurs, unless the future advances are made pursuant to a commitment entered into without knowledge of the lease and before the expiration of the forty-five-day period.

Section 7. KRS 355.2A-309 is amended to read as follows:

(1) In this section:

(a) Goods are "fixtures" when they become so related to particular real estate that an interest in them arises under real estate law;

(b) A "fixture filing" is the filing, in the office where a mortgage on the real estate would be ***filed or*** recorded [~~or registered~~], of a financing statement ***covering*** [~~concerning~~] goods that are or are to become fixtures and conforming to the requirements of KRS 355.9-402(5);

(c) A lease is a "purchase money lease" unless the lessee has possession or use of the goods or the right to possession or use of the goods before the lease agreement is enforceable;

(d) A mortgage is a "construction mortgage" to the extent it secures an obligation incurred for the construction of an improvement on land including the acquisition cost of the land, if the recorded writing so indicates; and

(e) "Encumbrance" includes real estate mortgages and other liens on real estate and all other rights in real estate that are not ownership interests.

(2) Under this article a lease may be of goods that are fixtures or may continue in goods that become fixtures, but no lease exists under this article of ordinary building materials incorporated into an improvement on land.

(3) This article does not prevent creation of a lease of fixtures pursuant to real estate law.

(4) The perfected interest of a lessor of fixtures has priority over a conflicting interest of an encumbrancer or owner of the real estate if:

(a) The lease is a purchase money lease, the conflicting interest of the encumbrancer or owner arises before the goods become fixtures, the interest of the lessor is perfected by a fixture filing before the goods become fixtures or within ten (10) days thereafter, and the lessee has an interest of record in the real estate or is in possession of the real estate; or

(b) The interest of the lessor is perfected by a fixture filing before the interest of the encumbrancer or owner is of record, the lessor's interest has priority over any conflicting interest of a predecessor in title of the encumbrancer or owner, and the lessee has an interest of record in the real estate or is in possession of the real estate.

(5) The interest of a lessor of fixtures, whether or not perfected, has priority over the conflicting interest of an encumbrancer or owner of the real estate if:

(a) The fixtures are readily removable factory or office machines, readily removable equipment that is not primarily used or leased for use in the operation of the real estate, or readily removable replacements of domestic appliances that are goods subject to a consumer lease, and before the goods become fixtures the lease contract is enforceable; or

(b) The conflicting interest is a lien on the real estate obtained by legal or equitable proceedings after the lease contract is enforceable; or

(c) The encumbrancer or owner has consented in writing to the lease or has disclaimed an interest in the goods as fixtures; or

(d) The lessee has a right to remove the goods as against the encumbrancer or owner. If the lessee's right to remove terminates, the priority of the interest of the lessor continues for a reasonable time.

(6) Notwithstanding [~~paragraph (a) of~~] subsection (4)***(a)*** but otherwise subject to subsections (4) and (5), the interest of a lessor of fixtures***, including the lessor's residual interest,*** is subordinate to the conflicting interest of an encumbrancer of the real estate under a construction mortgage recorded before the goods become fixtures if the goods become fixtures before the completion of the construction. To the extent given to refinance a construction mortgage, the conflicting interest of an encumbrancer of the real estate under a mortgage has this priority to the same extent as the encumbrancer of the real estate under the construction mortgage.

(7) In cases not within the preceding subsections, priority between the interest of a lessor of fixtures***, including the lessor's residual interest,*** and the conflicting interest of an encumbrancer or owner of the real estate who is not the lessee is determined by the priority rules governing conflicting interests in real estate.

(8) If the interest of a lessor ***of fixtures including the lessor's residual interest,*** has priority over all conflicting interests of all owners and encumbrancers of the real estate, the lessor or the lessee may:

(a) On default, expiration, termination, or cancellation of the lease agreement [~~by the other party~~] but subject to the [~~provisions of the~~] lease agreement and this article; or

(b) If necessary to enforce [~~his~~] other rights and remedies ***of the lessor or lessee*** under this article;

remove the goods from the real estate, free and clear of all conflicting interests of all owners and encumbrancers of the real estate, but ***the lessor or lessee*** [~~he~~] must reimburse any encumbrancer or owner of the real estate who is not the lessee and who has not otherwise agreed for the cost of repair of any physical injury, but not for any diminution in value of the real estate caused by the absence of the goods removed or by any necessity of replacing them. A person entitled to reimbursement may refuse permission to remove until the party seeking removal gives adequate security for the performance of this obligation.

(9) Even though the lease agreement does not create a security interest, the interest of a lessor of fixtures***, including the lessor's residual interest,*** is perfected by filing a financing statement as a fixture filing for leased goods that are or are to become fixtures in accordance with the relevant provisions of the Article on Secured Transactions (Article 9).

SECTION 8. A NEW SECTION OF ARTICLE 2A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

Nothing in this article prevents subordination by agreement by any person entitled to priority.

Section 9. KRS 355.2A-407 is amended to read as follows:

(1) In the case of a finance lease that is not a consumer lease, the lessee's promises under the lease contract become irrevocable and independent upon the lessee's acceptance of the goods.

(2) A promise that has become irrevocable and independent under subsection (1):

(a) Is effective and enforceable between the parties, and by or against third parties including assignees of the parties; and

(b) Is not subject to cancellation, termination, modification, repudiation, excuse, or substitution without the consent of the party to whom the promise runs.

(3) This section does not affect the validity under any other law of a covenant in any lease contract making the lessee's promises irrevocable and independent upon the lessee's acceptance of the goods.

Section 10. KRS 355.2A-501 is amended to read as follows:

(1) Whether the lessor or the lessee is in default under a lease contract is determined by the lease agreement and this article.

(2) If the lessor or the lessee is in default under the lease contract, the party seeking enforcement has rights and remedies as provided in this article and, except as limited by this article, as provided in the lease agreement.

(3) If the lessor or the lessee is in default under the lease contract, the party seeking enforcement may reduce the party's claim to judgment, or otherwise enforce the lease contract by self-help or any available judicial procedure or nonjudicial procedure, including administrative proceeding, arbitration, or the like, in accordance with this article.

(4) Except as otherwise provided in ***KRS 355.1-106(1) or*** this article or the lease agreement, the rights and remedies referred to in subsections (2) and (3) are cumulative.

(5) If the lease agreement covers both real property and goods, the party seeking enforcement may proceed under this part as to the goods, or under other applicable law as to both the real property and the goods in accordance with ***that party's*** [~~his~~] rights and remedies in respect of the real property, in which case this part does not apply.

Section 11. KRS 355.2A-503 is amended to read as follows:

(1) Except as otherwise provided in this article, the lease agreement may include rights and remedies for default in addition to or in substitution for those provided in this article and may limit or alter the measure of damages recoverable under this article.

(2) Resort to a remedy provided under this article or in the lease agreement is optional unless the remedy is expressly agreed to be exclusive. If circumstances cause an exclusive or limited remedy to fail of its essential purpose, or provision for an exclusive remedy is unconscionable, remedy may be had as provided in this article.

(3) Consequential damages may be liquidated under KRS 355.2A-504, or may otherwise be limited, altered, or excluded unless the limitation, alteration, or exclusion is unconscionable. Limitation***, alteration, or exclusion*** of consequential damages for injury to the person in the case of consumer goods is prima facie unconscionable but limitation***, alteration, or exclusion*** of damages where the loss is commercial is not ***prima facie unconscionable***.

(4) Rights and remedies on default by the lessor or the lessee with respect to any obligation or promise collateral or ancillary to the lease contract are not impaired by this article.

Section 12. KRS 355.2A-507 is amended to read as follows:

(1) Damages based on market rent (KRS 355.2A-519 or 355.2A-528) are determined according to the rent for the use of the goods concerned for a lease term identical to the remaining lease term of the original lease agreement and prevailing at the ***times specified in KRS 355.2A-519 and 355.2A-528*** [~~time of the default~~].

(2) If evidence of rent for the use of the goods concerned for a lease term identical to the remaining lease term of the original lease agreement and prevailing at the times or places described in this article is not readily available, the rent prevailing within any reasonable time before or after the time described or at any other place or for a different lease term which in commercial judgment or under usage of trade would serve as a reasonable substitute for the one described may be used, making any proper allowance for the difference, including the cost of transporting the goods to or from the other place.

(3) Evidence of a relevant rent prevailing at a time or place or for a lease term other than the one described in this article offered by one party is not admissible unless and until he has given the other party notice the court finds sufficient to prevent unfair surprise.

(4) If the prevailing rent or value of any goods regularly leased in any established market is in issue, reports in official publications or trade journals or in newspapers or periodicals of general circulation published as the reports of that market are admissible in evidence. The circumstances of the preparation of the report may be shown to affect its weight but not its admissibility.

Section 13. KRS 355.2A-508 is amended to read as follows:

(1) If a lessor fails to deliver the goods in conformity to the lease contract (KRS 355.2A-509) or repudiates the lease contract (KRS 355.2A-402), or a lessee rightfully rejects the goods (KRS 355.2A-509) or justifiably revokes acceptance of the goods (KRS 355.2A-517), then with respect to any goods involved, and with respect to all of the goods if under an installment lease contract the value of the whole lease contract is substantially impaired (KRS 355.2A-510), the lessor is in default under the lease contract and the lessee may:

(a) Cancel the lease contract (subsection (1) of KRS 355.2A-505);

(b) Recover so much of the rent and security as has been paid ***and***[~~, but in the case of an installment lease contract the recovery is that which~~] is just under the circumstances;

(c) Cover and recover damages as to all goods affected whether or not they have been identified to the lease contract (KRS 355.2A-518 and 355.2A-520), or recover damages for nondelivery (KRS 355.2A-519 and 355.2A-520)***;***

(d) Exercise any other rights or pursue any other remedies provided in the lease contract.

(2) If a lessor fails to deliver the goods in conformity to the lease contract or repudiates the lease contract, the lessee may also:

(a) If the goods have been identified, recover them (KRS 355.2A-522); or

(b) In a proper case, obtain specific performance or replevy the goods (KRS 355.2A-521).

(3) If a lessor is otherwise in default under a lease contract, the lessee may exercise the rights and ***pursue the*** remedies provided in the lease contract***, which may include a right to cancel the lease,*** and ***in KRS 355.2A-519(3)*** [~~this article~~].

(4) If a lessor has breached a warranty, whether express or implied, the lessee may recover damages (subsection (4) of KRS 355.2A-519).

(5) On rightful rejection or justifiable revocation of acceptance, a lessee has a security interest in goods in the lessee's possession or control for any rent and security that has been paid and any expenses reasonably incurred in their inspection, receipt, transportation, and care and custody and may hold those goods and dispose of them in good faith and in a commercially reasonable manner, subject to [~~the provisions of (~~]subsection (5) of KRS 355.2A-527[~~)~~].

(6) Subject to the provisions of KRS 355.2A-407, a lessee, on notifying the lessor of the lessee's intention to do so, may deduct all or any part of the damages resulting from any default under the lease contract from any part of the rent still due under the same lease contract.

Section 14. KRS 355.2A-516 is amended to read as follows:

(1) A lessee must pay rent for any goods accepted in accordance with the lease contract, with due allowance for goods rightfully rejected or not delivered.

(2) A lessee's acceptance of goods precludes rejection of the goods accepted. In the case of a finance lease, if made with knowledge of a nonconformity, acceptance cannot be revoked because of it. In any other case, if made with knowledge of a nonconformity, acceptance cannot be revoked because of it unless the acceptance was on the reasonable assumption that the nonconformity would be seasonably cured. Acceptance does not of itself impair any other remedy provided by this article or the lease agreement for nonconformity.

(3) If a tender has been accepted:

(a) Within a reasonable time after the lessee discovers or should have discovered any default, the lessee shall notify the lessor and the supplier, ***if any,*** or be barred from any remedy ***against the party not notified***;

(b) Except in the case of a consumer lease, within a reasonable time after the lessee receives notice of litigation for infringement or the like (KRS 355.2A-211) the lessee shall notify the lessor or be barred from any remedy over for liability established by the litigation; and

(c) The burden is on the lessee to establish any default.

(4) If a lessee is sued for breach of a warranty or other obligation for which a lessor or a supplier is answerable over ***the following apply***:

(a) The lessee may give the lessor or the supplier***, or both***, written notice of the litigation. If the notice states that the ***person notified*** [~~lessor or the supplier~~] may come in and defend and that if the ***person notified*** [~~lessor or the supplier~~] does not do so***, that person*** [~~he~~] will be bound in any action against ***that person*** [~~him~~] by the lessee by any determination of fact common to the two litigations, then unless the ***person notified*** [~~lessor or the supplier~~] after seasonable receipt of the notice does come in and defend ***that person*** [~~he~~] is so bound.

(b) The lessor or the supplier may demand in writing that the lessee turn over control of the litigation including settlement if the claim is one for infringement or the like (KRS 355.2A-211) or else be barred from any remedy over. If the demand states that the lessor or the supplier agrees to bear all expense and to satisfy any adverse judgment, then unless the lessee after seasonable receipt of the demand does turn over control the lessee is so barred.

(5) [~~The provisions of~~] Subsections (3) and (4) apply to any obligation of a lessee to hold the lessor or the supplier harmless against infringement or the like (KRS 355.2A-211).

Section 15. KRS 355.2A-517 is amended to read as follows:

(1) A lessee may revoke acceptance of a lot or commercial unit whose nonconformity substantially impairs its value to the lessee if ***the lessee*** [~~he~~] has accepted it:

(a) Except in the case of a finance lease, on the reasonable assumption that its nonconformity would be cured and it has not been seasonably cured; or

(b) Without discovery of the nonconformity if the lessee's acceptance was reasonably induced either by the lessor's assurances or, except in the case of a finance lease, by the difficulty of discovery before acceptance.

(2) ***Except in the case of a finance lease that is not a consumer lease, a lessee may revoke acceptance of a lot or commercial unit if the lessor defaults under the lease contract and the default substantially impairs the value of that lot or commercial unit to the lessee.***

(3) If the lease agreement so provides, the lessee may revoke acceptance of a lot or commercial unit because of other defaults by the lessor.

(4) Revocation of acceptance must occur within a reasonable time after the lessee discovers or should have discovered the ground for it and before any substantial change in condition of the goods which is not caused by the nonconformity. Revocation is not effective until the lessee notifies the lessor.

(5)[~~(3)~~] A lessee who so revokes has the same rights and duties with regard to the goods involved as if the lessee had rejected them.

Section 16. KRS 355.2A-518 is amended to read as follows:

(1) After ***a*** default by a lessor under the lease contract ***of the type described in*** [~~(~~]subsection (1) of KRS 355.2A-508[~~)~~], ***or, if agreed, after other default by the lessor,*** the lessee may cover by making any purchase or lease of or contract to purchase or lease goods in substitution for those due from the lessor.

(2) Except as otherwise provided with respect to damages liquidated in the lease agreement (KRS 355.2A-504) or ***otherwise*** determined ***pursuant to*** [~~by~~] agreement of the parties (KRS 355.1-102(3) ***and KRS 355.2A-503***), if a lessee's cover is by ***a*** lease agreement substantially similar to the original lease agreement and the ***new*** lease agreement is made in good faith and in a commercially reasonable manner, the lessee may recover from the lessor as damages:

(a) The present value, as of the date of ***the commencement of the term of the new lease agreement*** [~~default~~], of [~~the difference between~~] the [~~total~~] rent ***under*** [~~for the lease term of~~] the new lease agreement ***applicable to that period of the new lease term which is comparable to the then remaining term of the original lease agreement minus the present value as of the same date of*** [~~and~~] the total rent for the ***then*** remaining lease term of the original lease agreement; and

(b) Any incidental or consequential damages, less expenses saved in consequence of the lesser's default.

(3) If a lessee's cover is by lease agreement that for any reason does not qualify for treatment under subsection (2), or is by purchase or otherwise, the lessee may recover from the lessor as if the lessee had elected not to cover and KRS 355.2A-519 governs.

Section 17. KRS 355.2A-519 is amended to read as follows:

(1) Except as otherwise provided with respect to damages liquidated in the lease agreement (KRS 355.2A-504) or ***otherwise*** determined ***pursuant to*** [~~by~~] agreement of the parties (KRS 355.1-102(3) ***and KRS 355.2A-503***), if a lessee elects not to cover or a lessee elects to cover and the cover is by lease agreement that for any reason does not qualify for treatment under subsection (2) of KRS 355.2A-518, or is by purchase or otherwise, the measure of damages for nondelivery or repudiation by the lessor or for rejection or revocation of acceptance by the lessee is the present value, as of the date of the default, of the [~~difference between the~~] then market rent ***minus the present value as of the same date of*** [~~and~~] the original rent, computed for the remaining lease term of the original lease agreement, together with incidental and consequential damages, less expenses saved in consequence of the lessor's default.

(2) Market rent is to be determined as of the place for tender or, in cases of rejection after arrival or revocation of acceptance, as of the place of arrival.

(3) ***Except as otherwise agreed,*** if the lessee has accepted goods and given notification (subsection (3) of KRS 355.2A-516), the measure of damages for nonconforming tender or delivery ***or other default*** by a lessor is the loss resulting in the ordinary course of events from the lessor's default as determined in any manner that is reasonable together with incidental and consequential damages, less expenses saved in consequence of the lessor's default.

(4) ***Except as otherwise agreed,*** the measure of damages for breach of warranty is the present value at the time and place of acceptance of the difference between the value of the use of the goods accepted and the value if they had been as warranted for the lease term, unless special circumstances show proximate damages of a different amount, together with incidental and consequential damages, less expenses saved in consequence of the lessor's default or breach of warranty.

Section 18. KRS 355.2A-523 is amended to read as follows:

(1) If a lessee wrongfully rejects or revokes acceptance of goods or fails to make a payment when due or repudiates with respect to a part or the whole, then, with respect to any goods involved, and with respect to all of the goods if under an installment lease contract the value of the whole lease contract is substantially impaired (KRS 355.2A-510), the lessee is in default under the lease contract and the lessor may:

(a) Cancel the lease contract (subsection (1) of KRS 355.2A-505);

(b) Proceed respecting goods not identified to the lease contract (KRS 355.2A-524);

(c) Withhold delivery of the goods and take possession of goods previously delivered (KRS 355.2A-525);

(d) Stop delivery of the goods by any bailee (KRS 355.2A-526);

(e) Dispose of the goods and recover damages (KRS 355.2A-527), or retain the goods and recover damages (KRS 355.2A-528), or in a proper case recover rent (KRS 355.2A-529);

(f) Exercise any other rights or pursue any other remedies provided in the lease contract.

(2) If a lessor does not fully exercise a right or obtain a remedy to which the lessor is entitled under subsection (1), the lessor may recover the loss resulting in the ordinary course of events from the lessee's default as determined in any reasonable manner, together with incidental damages, less expenses saved in consequence of the lessee's default.

(3)[~~(2)~~] If a lessee is otherwise in default under a lease contract, the lessor may exercise the rights and ***pursue the*** remedies provided in the lease contract***, which may include a right to cancel the lease. In addition, unless otherwise provided in the lease contract:***

(a) If the default substantially impairs the value of the lease contract to the lessor, the lessor may exercise the rights and pursue the remedies provided in subsection (1) or (2); or

(b) If the default does not substantially impair the value of the lease contract to the lessor, the lessor may recover as provided in subsection (2) [~~and this article~~].

Section 19. KRS 355.2A-525 is amended to read as follows:

(1) If a lessor discovers the lessee to be insolvent, the lessor may refuse to deliver the goods.

(2) ***After a*** [~~The lessor has on~~] default by the lessee under the lease contract ***of the type described in KRS 355.2A-523(1) or 355.2A-523(3)(a) or, if agreed, after other default by the lessee, the lessor has*** the right to take possession of the goods. If the lease contract so provides, the lessor may require the lessee to assemble the goods and make them available to the lessor at a place to be designated by the lessor which is reasonably convenient to both parties. Without removal, the lessor may render unusable any goods employed in trade or business, and may dispose of goods on the lessee's premises (KRS 355.2A-527).

(3) The lessor may proceed under subsection (2) without judicial process if ***it*** [~~that~~] can be done without breach of the peace or the lessor may proceed by action.

Section 20. KRS 355.2A-527 is amended to read as follows:

(1) After a default by a lessee under the lease contract ***of the type described in*** [~~(subsection (1) of~~] KRS 355.2A-523***(1) or 355.2A-523(3)(a)***[~~)~~] or after the lessor refuses to deliver or takes possession of goods (KRS 355.2A-525 or 355.2A-526), ***or, if agreed, after other default by a lessee,*** the lessor may dispose of the goods concerned or the undelivered balance thereof by lease, sale, or otherwise.

(2) Except as otherwise provided with respect to damages liquidated in the lease agreement (KRS 355.2A-504) or ***otherwise*** determined ***pursuant to*** [~~by~~] agreement of the parties (KRS 355.1-102(3) ***and 355.2A-503***), if the disposition is by lease agreement substantially similar to the original lease agreement and the ***new*** lease agreement is made in good faith and in a commercially reasonable manner, the lessor may recover from the lessee as damages:

(a) Accrued and unpaid rent as of the date of ***the commencement of the term of the new lease agreement*** [~~default~~];

(b) The present value, as of the ***same*** date [~~of default~~] of the [~~difference between the~~] total rent for the ***then*** remaining lease term of the original lease agreement ***minus the present value, as of the same date,*** [~~and the total rent for the lease term~~] of ***the rent under*** the new lease agreement ***applicable to that period of the new lease term which is comparable to the then remaining term of the original lease agreement***; and

(c) Any incidental damages allowed under KRS 355.2A-530, less expenses saved in consequence of the lessee's default.

(3) If the lessor's disposition is by lease agreement that for any reason does not qualify for treatment under subsection (2), or is by sale or otherwise, the lessor may recover from the lessee as if the lessor had elected not to dispose of the goods and KRS 355.2A-528 governs.

(4) A subsequent buyer or lessee who buys or leases from the lessor in good faith for value as a result of a disposition under this section takes the goods free of the original lease contract and any rights of the original lessee even though the lessor fails to comply with one or more of the requirements of this article.

(5) The lessor is not accountable to the lessee for any profit made on any disposition. A lessee who has rightfully rejected or justifiably revoked acceptance shall account to the lessor for any excess over the amount of the lessee's security interest (subsection (5) of KRS 355.2A-508).

Section 21. KRS 355.2A-528 is amended to read as follows:

(1) Except as otherwise provided with respect to damages liquidated in the lease agreement (KRS 355.2A-504) or ***otherwise*** determined ***pursuant to*** [~~by~~] agreement of the parties (KRS 355.1-102(3) ***and 355.2A-503***), if a lessor elects to retain the goods or a lessor elects to dispose of the goods and ***the*** disposition is by lease agreement that for any reason does not qualify for treatment under subsection (2) of KRS 355.2A-527, or is by sale or otherwise, the lessor may recover from the lessee as damages for ***a default of the type described in KRS 355.2A-523(1) or 355.2A-523(3)(a), or, if agreed, for other default*** [~~non-acceptance or repudiation~~] by the lessee:

(a) Accrued and unpaid rent as of the date of default ***if the lessee has never taken possession of the goods, or, if the lessee has taken possession of the goods, as of the date the lessor repossesses the goods or an earlier date on which the lessee makes a tender of the goods to the lessor***;

(b) The present value as of the date ***determined under clause (a)*** [~~of default~~] of the [~~difference between the~~] total rent for the ***then*** remaining lease term of the original lease agreement ***minus the present value as of the same date of*** [~~and~~] the market rent at the [~~time and~~] place ***where the goods are located*** [~~for tender~~] computed for the same lease term; and

(c) Any incidental damages allowed under KRS 355.2A-530, less expenses saved in consequence of the lessee's default.

(2) If the measure of damages provided in subsection (1) is inadequate to put a lessor in as good a position as performance would have, the measure of damages is the ***present value of the*** profit, including reasonable overhead, the lessor would have made from full performance by the lessee, together with any incidental damages allowed under KRS 355.2A-530, due allowance for costs reasonably incurred and due credit for payments or proceeds of disposition.

Section 22. KRS 355.2A-529 is amended to read as follows:

(1) After default by the lessee under the lease contract ***of the type described in*** [~~(subsection (1) of~~] KRS 355.2A-523***(1) or 355.2A-523(3)(a) or, if agreed, after other default by the lessee***[~~)~~], if the lessor complies with subsection (2), the lessor may recover from the lessee as damages:

(a) For goods accepted by the lessee and ***not repossessed by or tendered to the lessor, and*** for conforming goods lost or damaged within a commercially reasonable time after risk of loss passes to the lessee (KRS 355.2A-219):

1. Accrued and unpaid rent as of the date of ***entry of judgment in favor of the lessor*** [~~default~~];

2. The present value as of the ***same*** date of [~~default of~~] the rent for the ***then*** remaining lease term of the lease agreement; and

3. Any incidental damages allowed under KRS 355.2A-530, less expenses saved in consequence of the lessee's default; and

(b) For goods identified to the lease contract if the lessor is unable after reasonable effort to dispose of them at a reasonable price or the circumstances reasonably indicate that effort will be unavailing:

1. Accrued and unpaid rent as of the date of ***entry of judgment in favor of the lessor*** [~~default~~];

2. The present value as of the ***same*** date of [~~default of~~] the rent for the ***then*** remaining lease term of the lease agreement; and

3. Any incidental damages allowed under KRS 355.2A-530, less expenses saved in consequence of the lessee's default.

(2) Except as provided in subsection (3), the lessor shall hold for the lessee for the remaining lease term of the lease agreement any goods that have been identified to the lease contract and are in the lessor's control.

(3) The lessor may dispose of the goods at any time before collection of the judgment for damages obtained pursuant to subsection (1). If the disposition is before the end of the remaining lease term of the lease agreement, the lessor's recovery against the lessee for damages ***is*** [~~will be~~] governed by KRS 355.2A-527 or 355.2A-528 ***and the lessor will cause an appropriate credit to be provided against a judgment for damages to the extent that the amount of the judgment exceeds the recovery available pursuant to KRS 355.2A-527 or 355.2A-528.***

(4) Payment of the judgment for damages obtained pursuant to subsection (1) entitles the lessee to ***the*** use and possession of the goods not then disposed of for the remaining lease term of ***and in accordance with*** the lease agreement.

(5) After ***default by the*** [~~a~~] lessee ***under the lease contract of the type described in KRS 355.2A-523(1) or 355.2A-523(3)(a) or, if agreed, after other default by the lessee*** [~~has wrongfully rejected or revoked acceptance of goods, has failed to pay rent then due, or has repudiated (KRS 355.2A-402)~~], a lessor who is held not entitled to rent under this section must nevertheless be awarded damages for nonacceptance under KRS 355.2A-527 ***or*** [~~and~~] 355.2A-528.

SECTION 23. A NEW SECTION OF ARTICLE 2A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

In addition to any other recovery permitted by this article or other law, the lessor may recover from the lessee an amount that will fully compensate the lessor for any loss of or damage to the lessor's residual interest in the goods caused by the default of the lessee.

ARTICLE 4A

FUNDS TRANSFERS

PART 1

SUBJECT MATTER AND DEFINITIONS

SECTION 24. ARTICLE 4A OF KRS CHAPTER 355 IS ESTABLISHED AND A NEW SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

This article may be cited as the Uniform Commercial Code—Funds Transfers.

SECTION 25. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

Except as otherwise provided in Section 31 of this Act, this article applies to funds transfers defined in Section 27 of this Act.

SECTION 26. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) In this article:

(a) "Payment order" means an instruction of a sender to a receiving bank, transmitted orally, electronically, or in writing, to pay, or to cause another bank to pay, a fixed or determinable amount of money to a beneficiary if:

1. The instruction does not state a condition to payment to the beneficiary other than time of payment;

2. The receiving bank is to be reimbursed by debiting an account of, or otherwise receiving payment from, the sender; and

3. The instruction is transmitted by the sender directly to the receiving bank or to an agent, funds-transfer system, or communication system for transmittal to the receiving bank.

(b) "Beneficiary" means the person to be paid by the beneficiary's bank.

(c) "Beneficiary's bank" means the bank identified in a payment order in which an account of the beneficiary is to be credited pursuant to the order or which otherwise is to make payment to the beneficiary if the order does not provide for payment to an account.

(d) "Receiving bank" means the bank to which the sender's instruction is addressed.

(e) "Sender" means the person giving the instruction to the receiving bank.

(2) If an instruction complying with subsection (1)(a) is to make more than one (1) payment to a beneficiary, the instruction is a separate payment order with respect to each payment.

(3) A payment order is issued when it is sent to the receiving bank.

SECTION 27. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

In this article:

(1) "Funds transfer" means the series of transactions, beginning with the originator's payment order, made for the purpose of making payment to the beneficiary of the order. The term includes any payment order issued by the originator's bank or an intermediary bank intended to carry out the originator's payment order. A funds transfer is completed by acceptance by the beneficiary's bank of a payment order for the benefit of the beneficiary of the originator's payment order.

(2) "Intermediary bank" means a receiving bank other than the originator's bank or the beneficiary's bank.

(3) "Originator" means the sender of the first payment order in a funds transfer.

(4) "Originator's bank" means:

(a) The receiving bank to which the payment order of the originator is issued if the originator is not a bank; or

(b) The originator if the originator is a bank.

SECTION 28. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) In this article:

(a) "Authorized account" means a deposit account of a customer in a bank designated by the customer as a source of payment of payment orders issued by the customer to the bank. If a customer does not so designate an account, any account of the customer is an authorized account if payment of a payment order from that account is not inconsistent with a restriction on the use of that account.

(b) "Bank" means a person engaged in the business of banking and includes a savings bank, savings and loan association, credit union, and trust company. A branch or separate office of a bank is a separate bank for purposes of this article.

(c) "Customer" means a person, including a bank, having an account with a bank or from whom a bank has agreed to receive payment orders.

(d) "Funds-transfer business day" of a receiving bank means the part of a day during which the receiving bank is open for the receipt, processing, and transmittal of payment orders and cancellations and amendments of payment orders.

(e) "Funds-transfer system" means a wire transfer network, automated clearing house, or other communication system of a clearing house or other association of banks through which a payment order by a bank may be transmitted to the bank to which the order is addressed.

(f) "Good faith" means honesty in fact and the observance of reasonable commercial standards of fair dealing.

(g) "Prove" with respect to a fact means to meet the burden of establishing the fact, as defined in KRS 355.1-201(8).

(2) Other definitions applying to this article and the sections of this Act in which they appear are:

"Acceptance"	*Section 17*
"Beneficiary"	*Section 3*
"Beneficiary's bank"	*Section 3*
"Executed"	*Section 21*
"Execution date"	*Section 21*
"Funds transfer"	*Section 4*
"Funds-transfer system rule"	*Section 32*
"Intermediary bank"	*Section 4*
"Originator"	*Section 4*
"Originator's bank"	*Section 4*
"Payment by beneficiary's bank to beneficiary"	*Section 30*
"Payment by originator to beneficiary"	*Section 31*
"Payment by sender to receiving bank"	*Section 28*
"Payment date"	*Section 26*
"Payment order"	*Section 3*
"Receiving bank"	*Section 3*
"Security procedure"	*Section 9*
"Sender"	*Section 3*

(3) The following definitions in Article 4 of KRS Chapter 355 apply to this article:

"Clearing house"	*KRS 355.4-104*
"Item"	*KRS 355.4-104*
"Suspends payments"	*KRS 355.4-104*

(4) In addition Article I of KRS Chapter 355 contains general definitions and principles of construction and interpretation applicable throughout this article.

SECTION 29. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) The time of receipt of a payment order or communication cancelling or amending a payment order is determined by the rules applicable to receipt of a notice stated in KRS 355.1-201(27). A receiving bank may fix a cut-off time or times on a funds-transfer business day for the receipt and processing of payment orders and communications cancelling or amending payment orders. Different cut-off times may apply to payment orders, cancellations, or amendments, or to different categories of payment orders, cancellations, or amendments. A cut-off time may apply to senders generally or different cut-off times may apply to different senders or categories of payment orders. If a payment order or communication cancelling or amending a payment order is received after the close of a funds-transfer business day or after the appropriate cut-off time on a funds-transfer business day, the receiving bank may treat the payment order or communication as received at the opening of the next funds-transfer business day.

(2) If this article refers to an execution date or payment date or states a day on which a receiving bank is required to take action, and the date or day does not fall on a funds-transfer business day, the

next day that is a funds-transfer business day is treated as the date or day stated, unless the contrary is stated in this article.

SECTION 30. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

Regulations of the board of governors of the Federal Reserve System and operating circulars of the Federal Reserve Banks supersede any inconsistent provision of this article to the extent of the inconsistency.

SECTION 31. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

This article does not apply to a funds transfer any part of which is governed by the Electronic Fund Transfer Act of 1978 (Title XX, P.L. 95-630, 92 Stat. 3728, 15 U.S.C. Section 1693 et seq.) as amended from time to time.

PART 2

ISSUE AND ACCEPTANCE OF PAYMENT ORDER

SECTION 32. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

"Security procedure" means a procedure established by agreement of a customer and a receiving bank for the purpose of:

(1) Verifying that a payment order or communication amending or cancelling a payment order is that of the customer; or

(2) Detecting error in the transmission or the content of the payment order or communication.

A security procedure may require the use of algorithms or other codes, identifying words or numbers, encryption, callback procedures, or similar security devices. Comparison of a signature on a payment order or communication with an authorized specimen signature of the customer is not by itself a security procedure.

SECTION 33. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) A payment order received by the receiving bank is the authorized order of the person identified as sender if that person authorized the order or is otherwise bound by it under the law of agency.

(2) If a bank and its customer have agreed that the authenticity of payment orders issued to the bank in the name of the customer as sender will be verified pursuant to a security procedure, a payment order received by the receiving bank is effective as the order of the customer, whether or not authorized, if:

(a) The security procedure is a commercially reasonable method of providing security against unauthorized payment orders; and

(b) The bank proves that it accepted the payment order in good faith and in compliance with the security procedure and any written agreement or instruction of the customer restricting acceptance of payment orders issued in the name the customer.

The bank is not required to follow an instruction that violates a written agreement with the customer or notice of which is not received at a time and in a manner affording the bank a reasonable opportunity to act on it before the payment order is accepted.

(3) Commercial reasonableness of a security procedure is a question of law to be determined by considering the wishes of the customer expressed to the bank, the circumstances of the customer known to the bank, including the size, type, and frequency of payment orders normally issued by the customer to the bank, alternative security procedures offered to the customer, and security procedures in general use by customers and receiving banks similarly situated. A security procedure is deemed to be commercially reasonable if:

(a) The security procedure was chosen by the customer after the bank offered, and the customer refused, a security procedure that was commercially reasonable for that customer; and

(b) The customer expressly agreed in writing to be bound by any payment order, whether or not authorized, issued in its name and accepted by the bank in compliance with the security procedure chosen by the customer.

(4) The term "sender" in this article includes the customer in whose name a payment order is issued if the order is the authorized order of the customer under subsection (1), or it is effective as the order of the customer under subsection (2).

(5) This section applies to amendments and cancellations of payment orders to the same extent it applies to payment orders.

(6) Except as provided in this section and in Section 34(1)(a) of this Act, rights and obligations arising under this section or Section 34 of this Act may not be varied by agreement.

SECTION 34. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) If an accepted payment order is not, under Section 10(1) of this Act, an authorized order of a customer identified as sender, but is effective as an order of the customer pursuant to Section 33(2) of this Act, the following rules apply:

(a) By express written agreement, the receiving bank may limit the extent to which it is entitled to enforce or retain payment of the payment order.

(b) The receiving bank is not entitled to enforce or retain payment of the payment order if the customer proves that the order was not caused, directly or indirectly, by a person:

1. Entrusted at any time with duties to act for the customer with respect to payment orders or the security procedure; or

2. Who obtained access to transmitting facilities of the customer or who obtained, from a source controlled by the customer and without authority of the receiving bank, information facilitating breach of security procedure, regardless of how the information was obtained or whether the customer was at fault.

Information includes any access device, computer software, or the like.

(2) This section applies to amendments of payment orders to the same extent it applies to payment orders.

SECTION 35. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) If a receiving bank accepts a payment order issued in the name of its customer as sender which is:

(a) Not authorized and not effective as the order of the customer under Section 33 of this Act; or

(b) Not enforceable, in whole or in part, against the customer under Section 34 of this Act, the bank shall refund any payment of the payment order received from the customer to the extent the bank is not entitled to enforce payment and shall pay interest on the refundable amount calculated from the date the bank received payment to the date of the refund. However, the customer is not entitled to interest from the bank on the amount to be refunded if the customer fails to exercise ordinary care to determine that the order was not authorized by the customer and to notify the bank of the relevant facts within a reasonable time not exceeding ninety (90) days after the date the customer received notification from the bank that the order was accepted or that the customer's account was debited with respect to the order. The bank is not entitled to any recovery from the customer on account of a failure by the customer to give notification as stated in this section.

(2) Reasonable time under subsection (1) may be fixed by agreement as stated in KRS 355.1-204(1), but the obligation of a receiving bank to refund payment as stated in subsection (1) may not otherwise be varied by agreement.

SECTION 36. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) If an accepted payment order was transmitted pursuant to a security procedure for the detection of error and the payment order:

(a) Erroneously instructed payment to a beneficiary not intended by the sender;

(b) Erroneously instructed payment in an amount greater than the amount intended by the sender; or

(c) Was an erroneously transmitted duplicate of a payment order previously sent by the sender, the following rules apply:

1. If the sender proves that the sender or a person acting on behalf of the sender pursuant to Section 37 of this Act complied with the security procedure and that the error would have been detected if the receiving bank had also complied, the sender is not obliged to pay the order to the extent stated in paragraphs 2. and 3.

2. If the funds transfer is completed on the basis of an erroneous payment order described in clause (a) or (c) of subsection (1), the sender is not obliged to pay the order and the receiving bank is entitled to recover from the beneficiary any amount paid to the beneficiary to the extent allowed by the law governing mistake and restitution.

3. If the funds transfer is completed on the basis of a payment order described in clause (b) of subsection (1), the sender is not obliged to pay the order to the extent the amount received by the beneficiary is greater than the amount intended by the sender. In that case, the receiving bank is entitled to recover from the beneficiary the excess amount received to the extent allowed by the law governing mistake and restitution.

(2) (a) If the sender of an erroneous payment order described in subsection (1) is not obliged to pay all or part of the order; and

(b) The sender receives notification from the receiving bank that the order was accepted by the bank or that the sender's account was debited with respect to the order, the sender has a duty to exercise ordinary care, on the basis of information available to the sender, to discover the error with respect to the order and to advise the bank of the relevant facts within a reasonable time, not exceeding ninety (90) days, after the bank's notification was received by the sender. If the bank proves that the sender failed to perform that duty, the sender is liable to the bank for the loss the bank proves it incurred as a result of the failure, but the liability of the sender may not exceed the amount of the sender's order.

(3) This section applies to amendments to payment orders to the same extent it applies to payment orders.

SECTION 37. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) If a payment order addressed to a receiving bank is transmitted to a funds-transfer system or other third-party communication system for transmittal to the bank, the system is deemed to be an agent of the sender for the purpose of transmitting the payment order to the bank. If there is a discrepancy between the terms of the payment order transmitted to the system and the terms of the payment order transmitted by the system to the bank, the terms of the payment order of the sender are those transmitted by the system. This section does not apply to a funds-transfer system of the Federal Reserve Banks.

(2) This section applies to cancellations and amendments of payment orders to the same extent it applies to payment orders.

SECTION 38. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) Subject to subsection (2), if, in a payment order received by the beneficiary's bank, the name, bank account number, or other identification of the beneficiary refers to a nonexistent or unidentifiable person or account, no person has rights as a beneficiary of the order and acceptance of the order cannot occur.

(2) If a payment order received by the beneficiary's bank identifies the beneficiary both by name and by an identifying or bank account number and the name and number identify different persons, the following rules apply:

(a) Except as otherwise provided in subsection (3), if the beneficiary's bank does not know that the name and number refer to different persons, it may rely on the number as the proper identification of the beneficiary of the order. The beneficiary's bank need not determine whether the name and number refer to the same person.

(b) If the beneficiary's bank pays the person identified by name or knows that the name and number identify different persons, no person has rights as beneficiary except the person paid by the beneficiary's bank if that person was entitled to receive payment from the originator of the funds transfer. If no person has rights as beneficiary, acceptance of the order cannot occur.

(3) (a) If a payment order described in subsection (2) is accepted;

(b) The originator's payment order described the beneficiary inconsistently by name and number; and

(c) The beneficiary's bank pays the person identified by number as permitted by subsection (2)(a), the following rules apply:

1. If the originator is a bank, the originator is obliged to pay its order.

2. If the originator is not a bank and proves that the person identified by number was not entitled to receive payment from the originator, the originator is not obliged to pay its order unless the originator's bank proves that the originator, before acceptance of the originator's order, had notice that payment of a payment order issued by the originator might be made by the beneficiary's bank on the basis of an identifying or bank account number even if it identifies a person different from the named beneficiary. Proof of notice may be made by any admissible evidence. The originator's bank satisfies the burden of proof if it proves that the originator, before the payment order was accepted, signed a writing stating the information to which the notice relates.

(4) In a case governed by subsection (2)(a), if the beneficiary's bank rightfully pays the person identified by number and that person was not entitled to receive payment from the originator, the amount paid may be recovered from that person to the extent allowed by the law governing mistake and restitution as follows:

(a) If the originator is obliged to pay its payment order as stated in subsection (3), the originator has the right to recover.

(b) If the originator is not a bank and is not obliged to pay its payment order, the originator's bank has the right to recover.

SECTION 39. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) This subsection applies to a payment order identifying an intermediary bank or the beneficiary's bank only by an identifying number.

(a) The receiving bank may rely on the number as the proper identification of the intermediary or beneficiary's bank and need not determine whether the number identifies a bank.

(b) The sender is obliged to compensate the receiving bank for any loss and expenses incurred by the receiving bank as a result of its reliance on the number in executing or attempting to execute the order.

(2) This subsection applies to a payment order identifying an intermediary bank or the beneficiary's bank both by name and an identifying number if the name and number identify different persons.

(a) If the sender is a bank, the receiving bank may rely on the number as the proper identification of the intermediary or beneficiary's bank if the receiving bank, when it executes the sender's order, does not know that the name and number identify different persons. The receiving bank need not determine whether the name and number refer to the same person or whether the number refers to a bank. The sender is obliged to compensate the receiving bank for any loss and expenses incurred by the receiving bank as a result of its reliance on the number in executing or attempting to execute the order.

(b) If the sender is not a bank and the receiving bank proves that the sender, before the payment order was accepted, had notice that the receiving bank might rely on the number as the proper identification of the intermediary or beneficiary's bank even if it identifies a person different from the bank identified by name, the rights and obligations of the sender and the receiving bank are governed by subsection (1)(b), as though the sender were a bank. Proof of notice may be made by any admissible evidence. The receiving bank satisfies the burden of proof if it proves that the sender, before the payment order was accepted, signed a writing stating the information to which the notice relates.

(c) Regardless of whether the sender is a bank, the receiving bank may rely on the name as the proper identification of the intermediary or beneficiary's bank if the receiving bank, at the time it executes the

sender's order, does not know that the name and number identify different persons. The receiving bank need not determine whether the name and number refer to the same person.

(d) If the receiving bank knows that the name and number identify different persons, reliance on either the name or the number in executing the sender's payment order is a breach of the obligation stated in Section 45(1)(a) of this Act.

SECTION 40. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) Subject to subsection (4), a receiving bank other than the beneficiary's bank accepts a payment order when it executes the order.

(2) Subject to subsections (3) and (4), a beneficiary's bank accepts a payment order at the earliest of the following times:

(a) When the bank:

1. Pays the beneficiary as stated in Section 53(1) or 53(2) of this Act; or

2. Notifies the beneficiary of receipt of the order or that the account of the beneficiary has been credited with respect to the order unless the notice indicates that the bank is rejecting the order or that funds with respect to the order may not be withdrawn or used until receipt of payment from the sender of the order.

(b) When the bank receives payment of the entire amount of the sender's order pursuant to Section 51(1)(a) or 51(1)(b) of this Act; or

(c) The opening of the next funds-transfer business day of the bank following the payment date of the order if, at that time, the amount of the sender's order is fully covered by a withdrawable credit balance in an authorized account of the sender or the bank has otherwise received full payment from the sender, unless the order was rejected before that time or is rejected within;

1. One hour after that time; or

2. One hour after the opening of the next business day of the sender following the payment date if that time is later. If notice of rejection is received by the sender after the payment date and the authorized account of the sender does not bear interest, the bank is obliged to pay interest to the sender on the amount of the order for the number of days elapsing after the payment date to the day the sender receives notice or learns that the order was not accepted, counting that day as an elapsed day. If the withdrawable credit balance during that period falls below the amount of the order, the amount of interest payable is reduced accordingly.

(3) Acceptance of a payment order cannot occur before the order is received by the receiving bank. Acceptance does not occur under subsection (2)(b) or (2)(c) if the beneficiary of the payment order does not have an account with the receiving bank, the account has been closed, or the receiving bank is not permitted by law to receive credits for the beneficiary's account.

(4) A payment order issued to the originator's bank cannot be accepted until the payment date if the bank is the beneficiary's bank, or the execution date if the bank is not the beneficiary's bank. If the originator's bank executes the originator's payment order before the execution date or pays the beneficiary of the originator's payment order before the payment date and the payment order is subsequently canceled pursuant to Section 19 of this Act, the bank may recover from the beneficiary any payment received to the extent allowed by the law governing mistake and restitution.

SECTION 41. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) A payment order is rejected by the receiving bank by a notice of rejection transmitted to the sender orally, electronically, or in writing. A notice of rejection need not use any particular words and is sufficient if it indicates that the receiving bank is rejecting the order or will not execute or pay the order. Rejection is effective when the notice is given if transmission is by a means that is reasonable in the circumstances. If notice of rejection is given by a means that is not reasonable, rejection is effective when the notice is received. If an agreement of the sender and receiving bank establishes the means to be used to reject a payment order:

(a) Any means complying with the agreement is reasonable; and

(b) Any means not complying is not reasonable unless no significant delay in receipt of the notice resulted from the use of the noncomplying means.

(2) This subsection applies if a receiving bank other than the beneficiary's bank fails to execute a payment order despite the existence on the execution date of a withdrawable credit balance in an authorized account of the sender sufficient to cover the order. If the sender does not receive notice of rejection of the order on the execution date and the authorized account of the sender does not bear interest, the bank is obliged to pay interest to the sender on the amount of the order for the number of days elapsing after the execution date to the earlier of the day the order is canceled pursuant to Section 42(4) of this Act or the day the sender receives notice or learns that the order was not executed, counting the final day of the period as an elapsed day. If the withdrawable credit balance during that period falls below the amount of the order, the amount of interest is reduced accordingly.

(3) If a receiving bank suspends payments, all unaccepted payment orders issued to it are deemed rejected at the time the bank suspends payments.

(4) Acceptance of a payment order precludes a later rejection of the order. Rejection of a payment order precludes a later acceptance of the order.

SECTION 42. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) A communication of the sender of a payment order cancelling or amending the order may be transmitted to the receiving bank orally, electronically, or in writing. If a security procedure is in effect between the sender and the receiving bank, the communication is not effective to cancel or amend the order unless the communication is verified pursuant to the security procedure or the bank agrees to the cancellation or amendment.

(2) Subject to subsection (1), a communication by the sender cancelling or amending a payment order is effective to cancel or amend the order if notice of the communication is received at a time and in a manner affording the receiving bank a reasonable opportunity to act on the communication before the bank accepts the payment order.

(3) After a payment order has been accepted, cancellation or amendment of the order is not effective unless the receiving bank agrees or a funds-transfer system rule allows cancellation or amendment without agreement of the bank.

(a) With respect to a payment order accepted by a receiving bank other than the beneficiary's bank, cancellation or amendment is not effective unless a conforming cancellation or amendment of the payment order issued by the receiving bank is also made.

(b) With respect to a payment order accepted by the beneficiary's bank, cancellation or amendment is not effective unless the order was issued in execution of an unauthorized payment order, or because of a mistake by a sender in the funds transfer which resulted in the issuance of a payment order:

1. That is a duplicate of a payment order previously issued by the sender;

2. That orders payment to a beneficiary not entitled to receive payment from the originator; or

3. That orders payment in an amount greater than the amount the beneficiary was entitled to receive from the originator. If the payment order is canceled or amended, the beneficiary's bank is entitled to recover from the beneficiary any amount paid to the beneficiary to the extent allowed by the law governing mistake and restitution.

(4) An unaccepted payment order is canceled by operation of law at the close of the fifth funds-transfer business day of the receiving bank after the execution date or payment date of the order.

(5) A canceled payment order cannot be accepted. If an accepted payment order is canceled, the acceptance is nullified and no person has any right or obligation based on the acceptance. Amendment of a payment order is deemed to be cancellation of the original order at the time of amendment and issue of a new payment order in the amended form at the same time.

(6) Unless otherwise provided in an agreement of the parties or in a funds-transfer system rule, if the receiving bank, after accepting a payment order, agrees to cancellation or amendment of the order by the sender or is bound by a funds-transfer system rule allowing cancellation or amendment without the bank's agreement, the sender, whether or not cancellation or amendment is effective, is liable to the bank for any loss and expenses, including reasonable attorney's fees, incurred by the bank as a result of the cancellation or amendment or attempted cancellation or amendment.

(7) A payment order is not revoked by the death or legal incapacity of the sender unless the receiving bank knows of the death or of an adjudication of incapacity by a court of competent jurisdiction and has reasonable opportunity to act before acceptance of the order.

(8) A funds-transfer system rule is not effective to the extent it conflicts with subsection (3)(b).

SECTION 43. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

If a receiving bank fails to accept a payment order that it is obliged by express agreement to accept, the bank is liable for breach of the agreement to the extent provided in the agreement or in this article, but does not otherwise have any duty to accept a payment order or, before acceptance, to take any action, or refrain from taking action, with respect to the order except as provided in this article or by express agreement. Liability based on acceptance arises only when acceptance occurs as stated in Section 40 of this Act, and liability is limited to that provided in this article. A receiving bank is not the agent of the sender or beneficiary of the payment order it accepts, or of any other party to the funds transfer, and the bank owes no duty to any party to the funds transfer except as provided in this article or by express agreement.

PART 3

EXECUTION OF SENDER'S PAYMENT ORDER BY RECEIVING BANK

SECTION 44. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) A payment order is "executed" by the receiving bank when it issues a payment order intended to carry out the payment order received by the bank. A payment order received by the beneficiary's bank can be accepted but cannot be executed.

(2) "Execution date" of a payment order means the day on which the receiving bank may properly issue a payment order in execution of the sender's order. The execution date may be determined by instruction of the sender but cannot be earlier than the day the order is received and, unless otherwise determined, is the day the order is received. If the sender's instruction states a payment date, the execution date is the payment date or an earlier date on which execution is reasonably necessary to allow payment to the beneficiary on the payment date.

SECTION 45. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) Except as provided in subsections (2) through (4), if the receiving bank accepts a payment order pursuant to Section 40(1) of this Act, the bank has the following obligations in executing the order:

(a) The receiving bank is obliged to issue, on the execution date, a payment order complying with the sender's order and to follow the sender's instructions concerning:

1. Any intermediary bank or funds-transfer system to be used in carrying out the funds transfer; or

2. The means by which payment orders are to be transmitted in the funds transfer. If the originator's bank issues a payment order to an intermediary bank, the originator's bank is obliged to instruct the intermediary bank according to the instruction of the originator. An intermediary bank in the funds transfer is similarly bound by an instruction given to it by the sender of the payment order it accepts;

(b) If the sender's instruction states that the funds transfer is to be carried out telephonically or by wire transfer or otherwise indicates that the funds transfer is to be carried out by the most expeditious means, the receiving bank is obliged to transmit its payment order by the most expeditious available means, and to instruct any intermediary bank accordingly. If a sender's instruction states a payment date, the receiving bank is obliged to transmit its payment order at a time and by means reasonably necessary to allow payment to the beneficiary on the payment date or as soon thereafter as is feasible.

(2) Unless otherwise instructed, a receiving bank executing a payment order may:

(a) Use any funds-transfer system if use of that system is reasonable in the circumstances; and

(b) Issue a payment order to the beneficiary's bank or to an intermediary bank through which a payment order conforming to the sender's order can expeditiously be issued to the beneficiary's bank if the receiving bank exercises ordinary care in the selection of the intermediary bank. A receiving bank is not required to follow an instruction of the sender designating a funds-transfer system to be used in carrying out the funds transfer if the receiving bank, in good faith, determines that it is not feasible to follow the instruction or that following the instruction would unduly delay completion of the funds transfer.

(3) Unless subsection (1)(b) applies or the receiving bank is otherwise instructed, the bank may execute a payment order by transmitting its payment order by first class mail or by any means reasonable in the circumstances. If the receiving bank is instructed to execute the sender's order by transmitting its payment order by a particular means, the receiving bank may issue its payment order by the means stated or by any means as expeditious as the means stated.

(4) Unless instructed by the sender:

(a) The receiving bank may not obtain payment of its charges for services and expenses in connection with the execution of the sender's order by issuing a payment order in an amount equal to the amount of the sender's order less the amount of the charges; and

(b) May not instruct a subsequent receiving bank to obtain payment of its charges in the same manner.

SECTION 46. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) A receiving bank that:

(a) Executes the payment order of the sender by issuing a payment order in an amount greater than the amount of the sender's order; or

(b) Issues a payment order in execution of the sender's order and then issues a duplicate order, is entitled to payment of the amount of the sender's order under Section 50(3) of this Act if that subsection is otherwise satisfied. The bank is entitled to recover from the beneficiary of the erroneous order the excess payment received to the extent allowed by the law governing mistake and restitution.

(2) A receiving bank that executes the payment order of the sender by issuing a payment order in an amount less than the amount of the sender's order is entitled to payment of the amount of the sender's order under Section 50(3) of this Act if:

(a) That subsection is otherwise satisfied; and

(b) The bank corrects its mistake by issuing an additional payment order for the benefit of the beneficiary of the sender's order. If the error is not corrected, the issuer of the erroneous order is entitled to receive or retain payment from the sender of the order it accepted only to the extent of the amount of the erroneous order. This subsection does not apply if the receiving bank executes the sender's payment order by issuing a payment order in an amount less than the amount of the sender's order for the purpose of obtaining payment of its charges for services and expenses pursuant to instruction of the sender.

(3) If a receiving bank executes the payment order of the sender by issuing a payment order to a beneficiary different from the beneficiary of the sender's order and the funds transfer is completed on the basis of that error, the sender of the payment order that was erroneously executed and all previous senders in the funds transfer are not obliged to pay the payment orders they issued. The issuer of the erroneous order is entitled to recover from the beneficiary of the order the payment received to the extent allowed by the law governing mistake and restitution.

SECTION 47. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

If the sender of a payment order that is erroneously executed as stated in Section 46 of this Act receives notification from the receiving bank that the order was executed or that the sender's account was debited with respect to the order, the sender has a duty to exercise ordinary care to determine, on the basis of information available to the sender, that the order was erroneously executed and to notify the bank of the *relevant facts within a reasonable time not exceeding ninety (90) days after the notification from the bank was received by the sender. If the sender fails to perform that duty, the bank is not obliged to pay interest on any amount refundable to the sender under Section 50(4) of this Act for the period before the bank learns of the execution error. The bank is not entitled to any recovery from the sender on account of a failure by the sender to perform the duty stated in this section.*

SECTION 48. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) If a funds transfer is completed but execution of a payment order by the receiving bank in breach of Section 45 of this Act results in delay in payment to the beneficiary, the bank is obliged to pay interest to either the originator or the beneficiary of the funds transfer for the period of delay caused by the improper execution. Except as provided in subsection (3), additional damages are not recoverable.

(2) If execution of a payment order by a receiving bank in breach of Section 45 of this Act results in:

(a) Noncompletion of the funds transfer;

(b) Failure to use an intermediary bank designated by the originator; or

(c) Issuance of a payment order that does not comply with the terms of the payment order of the originator, the bank is liable to the originator for its expenses in the funds transfer and for incidental expenses and interest losses, to the extent not covered by subsection (1), resulting from the improper execution. Except as provided in subsection (3), additional damages are not recoverable.

(3) In addition to the amounts payable under subsections (1) and (2), damages, including consequential damages, are recoverable to the extent provided in an express written agreement of the receiving bank.

(4) If a receiving bank fails to execute a payment order it was obliged by express agreement to execute, the receiving bank is liable to the sender for its expenses in the transaction and for incidental expenses and interest losses resulting from the failure to execute. Additional damages, including consequential damages, are recoverable to the extent provided in an express written agreement of the receiving bank, but are not otherwise recoverable.

(5) Reasonable attorney's fees are recoverable if demand for compensation under subsection (1) or (2) is made and refused before an action is brought on the claim. If a claim is made for breach of an agreement under subsection (4) and the agreement does not provide for damages, reasonable attorney's fees are recoverable if demand for compensation under subsection (4) is made and refused before an action is brought on the claim.

(6) Except as stated in this section, the liability of a receiving bank under subsections (1) and (2) may not be varied by agreement.

PART 4

PAYMENT

SECTION 49. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

"Payment date" of a payment order means the day on which the amount of the order is payable to the beneficiary by the beneficiary's bank. The payment date may be determined by instruction of the sender but cannot be earlier than the day the order is received by the beneficiary's bank and, unless otherwise determined, is the day the order is received by the beneficiary's bank.

SECTION 50. A NEW SECTION OF ARTICLE 4A KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) This section is subject to Sections 36 and 37 of this Act.

(2) With respect to a payment order issued to the beneficiary's bank, acceptance of the order by the bank obliges the sender to pay the bank the amount of the order, but payment is not due until the payment date of the order.

(3) This subsection is subject to subsection (5) and to Section 46 of this Act. With respect to a payment order issued to a receiving bank other than the beneficiary's bank, acceptance of the order by the receiving bank obliges the sender to pay the bank the amount of the sender's order. Payment by the sender is not due until the execution date of the sender's order. The obligation of that sender to pay its payment order is excused if the funds transfer is not completed by acceptance by the beneficiary's bank of a payment order instructing payment to the beneficiary of that sender's payment order.

(4) If the sender of a payment order pays the order and was not obliged to pay all or part of the amount paid, the bank receiving payment is obliged to refund payment to the extent the sender was not obliged to pay. Except as provided in Sections 35 and 47 of this Act, interest is payable on the refundable amount from the date of payment.

(5) If a funds transfer is not completed as stated in subsection (3) and an intermediary bank is obliged to refund payment as stated in subsection (4) but is unable to do so because not permitted by applicable law or because the bank suspends payments, a sender in the funds transfer that executed a payment order in compliance with an instruction, as stated in Section 45(1)(a) of this Act, to route the funds transfer through that intermediary bank is entitled to receive or retain payment from the sender of the payment order that it accepted. The first sender in the funds transfer that issued an instruction requiring routing through that intermediary bank is subrogated to the right of the bank that paid the intermediary bank to refund as stated in subsection (4).

(6) The right of the sender of a payment order to be excused from the obligation to pay the order as stated in subsection (3) or to receive refund under subsection (4) may not be varied by agreement.

SECTION 51. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) Payment of the sender's obligation under Section 50 of this Act to pay the receiving bank occurs as follows:

(a) If the sender is a bank, payment occurs when the receiving bank receives final settlement of the obligation through a Federal Reserve Bank or through a funds-transfer system.

(b) If the sender is a bank and the sender:

1. Credited an account of the receiving bank with the sender; or

2. Caused an account of the receiving bank in another bank to be credited, payment occurs when the credit is withdrawn or, if not withdrawn, at midnight of the day on which the credit is withdrawable and the receiving bank learns of that fact.

(c) If the receiving bank debits an account of the sender with the receiving bank, payment occurs when the debit is made to the extent the debit is covered by a withdrawable credit balance in the account.

(2) If the sender and receiving bank are members of a funds-transfer system that nets obligations multilaterally among participants, the receiving bank receives final settlement when settlement is complete in accordance with the rules of the system. The obligation of the sender to pay the amount of a payment order transmitted through the funds-transfer system may be satisfied, to the extent permitted by the rules of the system, by setting off and applying against the sender's obligation the right of the sender to receive payment from the receiving bank of the amount of any other payment order transmitted to the sender by the receiving bank through the funds-transfer system. The aggregate balance of obligations owed by each sender to each receiving bank in the funds-transfer system may be satisfied, to the extent permitted by the rules of the system, by setting off and applying against that balance the aggregate balance of obligations owed to the sender by other members of the system. The aggregate balance is determined after the right of setoff stated in the second sentence of this subsection has been exercised.

(3) If two (2) banks transmit payment orders to each other under an agreement that settlement of the obligations of each bank to the other under Section 27 of this Act will be made at the end of the day or other period, the total amount owed with respect to all orders transmitted by one (1) bank shall be set off against the total amount owed with respect to all orders transmitted by the other bank. To the extent of the setoff, each bank has made payment to the other.

(4) In a case not covered by subsection (1), the time when payment of the sender's obligation under Section 50(2) or 50(3) of this Act occurs is governed by applicable principles of law that determine when an obligation is satisfied.

SECTION 52. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) Subject to Sections 42(5), 53(4), and 53(5) of this Act, if a beneficiary's bank accepts a payment order, the bank is obliged to pay the amount of the order to the beneficiary of the order. Payment is due on the payment date of the order, but if acceptance occurs on the payment date after the close of the funds-transfer business day of the bank, payment is due on the next funds-transfer business day. If the bank refuses to pay after demand by the beneficiary and receipt of notice of particular circumstances that will give rise to consequential damages as a result of nonpayment, the beneficiary may recover damages resulting from the refusal to pay to the extent the bank had notice of the damages, unless the bank proves that it did not pay because of a reasonable doubt concerning the right of the beneficiary to payment.

(2) If a payment order accepted by the beneficiary's bank instructs payment to an account of the beneficiary, the bank is obliged to notify the beneficiary of receipt of the order before midnight of the next funds-transfer business day following the payment date. If the payment order does not instruct payment to an account of the beneficiary, the bank is required to notify the beneficiary only if notice is required by the order. Notice may be given by first class mail or any other means reasonable in the circumstances. If the bank fails to give the required notice, the bank is obliged to pay interest to the beneficiary on the amount of the payment order from the day notice should have been given until the day the beneficiary learned of receipt of the payment order by the bank. No other damages are recoverable. Reasonable attorney's fees are also recoverable if demand for interest is made and refused before an action is brought on the claim.

(3) The right of a beneficiary to receive payment and damages as stated in subsection (1) may not be varied by agreement or a funds-transfer system rule. The right of a beneficiary to be notified as stated in subsection (2) may be varied by agreement of the beneficiary or by a funds-transfer system rule if the beneficiary is notified of the rule before initiation of the funds transfer.

SECTION 53. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) If the beneficiary's bank credits an account of the beneficiary of a payment order, payment of the bank's obligation under Section 52(1) of this Act occurs when and to the extent:

(a) The beneficiary is notified of the right to withdraw the credit;

(b) The bank lawfully applies the credit to a debt of the beneficiary; or

(c) Funds with respect to the order are otherwise made available to the beneficiary by the bank.

(2) If the beneficiary's bank does not credit an account of the beneficiary of a payment order, the time when payment of the bank's obligation under Section 52(1) of this Act occurs is governed by principles of law that determine when an obligation is satisfied.

(3) Except as stated in subsections (4) and (5), if the beneficiary's bank pays the beneficiary of a payment order under a condition to payment or agreement of the beneficiary giving the bank the right to recover payment from the beneficiary if the bank does not receive payment of the order, the condition to payment or agreement is not enforceable.

(4) A funds-transfer system rule may provide that payments made to beneficiaries of funds transfers made through the system are provisional until receipt of payment by the beneficiary's bank of the payment order it accepted. A beneficiary's bank that makes a payment that is provisional under the rule is entitled to refund from the beneficiary if:

(a) The rule requires that both the beneficiary and the originator be given notice of the provisional nature of the payment before the funds transfer is initiated;

(b) The beneficiary, the beneficiary's bank and the originator's bank agreed to be bound by the rule; and

(c) The beneficiary's bank did not receive payment of the payment order that it accepted. If the beneficiary is obliged to refund payment to the beneficiary's bank, acceptance of the payment order by the beneficiary's bank is nullified and no payment by the originator of the funds transfer to the beneficiary occurs under Section 54 of this Act.

(5) This subsection applies to a funds transfer that includes a payment order transmitted over a funds-transfer system that:

(a) Nets obligations multilaterally among participants; and

(b) Has in effect a loss-sharing agreement among participants for the purpose of providing funds necessary to complete settlement of the obligations of one (1) or more participants that do not meet their settlement obligations. If the beneficiary's bank in the funds transfer accepts a payment order and the system fails to complete settlement pursuant to its rules with respect to any payment order in the funds transfer,

1. The acceptance by the beneficiary's bank is nullified and no person has any right or obligation based on the acceptance;

2. The beneficiary's bank is entitled to recover payment from the beneficiary;

3. No payment by the originator to the beneficiary occurs under Section 54 of this Act; and

4. Subject to Section 50(5) of this Act, each sender in the funds transfer is excused from its obligation to pay its payment order under Section 50(3) of this Act because the funds transfer has not been completed.

SECTION 54. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) Subject to Sections 42(5), 53(4), and 53(5) of this Act, the originator of a funds transfer pays the beneficiary of the originator's payment order:

(a) At the time a payment order for the benefit of the beneficiary is accepted by the beneficiary's bank in the funds transfer; and

(b) In an amount equal to the amount of the order accepted by the beneficiary's bank, but not more than the amount of the originator's order.

(2) If payment under subsection (1) is made to satisfy an obligation, the obligation is discharged to the same extent discharge would result from payment to the beneficiary of the same amount in money, unless:

(a) The payment under subsection (1) was made by a means prohibited by the contract of the beneficiary with respect to the obligation;

(b) The beneficiary, within a reasonable time after receiving notice of receipt of the order by the beneficiary's bank, notified the originator of the beneficiary's refusal of the payment;

(c) Funds with respect to the order were not withdrawn by the beneficiary or applied to a debt of the beneficiary; and

(d) The beneficiary would suffer a loss that could reasonably have been avoided if payment had been made by a means complying with the contract. If payment by the originator does not result in discharge under this section, the originator is subrogated to the rights of the beneficiary to receive payment from the beneficiary's bank under Section 52(1) of this Act.

(3) For the purpose of determining whether discharge of an obligation occurs under subsection (2), if the beneficiary's bank accepts a payment order in an amount equal to the amount of the originator's payment order less charges of one (1) or more receiving banks in the funds transfer, payment to the beneficiary is deemed to be in the amount of the originator's order unless upon demand by the beneficiary the originator does not pay the beneficiary the amount of the deducted charges.

(4) Rights of the originator or of the beneficiary of a funds transfer under this section may be varied only by agreement of the originator and the beneficiary.

PART 5

MISCELLANEOUS PROVISIONS

SECTION 55. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) Except as otherwise provided in this article, the rights and obligations of a party to a funds transfer may be varied by agreement of the affected party.

(2) "Funds-transfer system rule" means a rule of an association of banks:

(a) Governing transmission of payment orders by means of a funds-transfer system of the association or rights and obligations with respect to those orders; or

(b) To the extent the rule governs rights and obligations between banks that are parties to a funds transfer in which a Federal Reserve Bank, acting as an intermediary bank, sends a payment order to the beneficiary's bank. Except as otherwise provided in this article, a funds-transfer system rule governing rights and obligations between participating banks using the system may be effective even if the rule conflicts with this article and indirectly affects another party to the funds transfer who does not consent to the rule. A funds-transfer system rule may also govern rights and obligations of parties other than participating banks using the system to the extent stated in Sections 52(3), 53(4), and 61(3) of this Act.

SECTION 56. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, "creditor process" means levy, attachment, garnishment, notice of lien, sequestration, or similar process issued by or on behalf of a creditor or other claimant with respect to an account.

(2) This subsection applies to creditor process with respect to an authorized account of the sender of a payment order if the creditor process is served on the receiving bank. For the purpose of determining rights with respect to the creditor process, if the receiving bank accepts the payment order the balance in the authorized account is deemed to be reduced by the amount of the payment order to the extent the bank did not otherwise receive payment of the order, unless the creditor process is served at a time and in a manner affording the bank a reasonable opportunity to act on it before the bank accepts the payment order.

(3) If a beneficiary's bank has received a payment order for payment to the beneficiary's account in the bank, the following rules apply:

(a) The bank may credit the beneficiary's account. The amount credited may be set off against an obligation owed by the beneficiary to the bank or may be applied to satisfy creditor process served on the bank with respect to the account.

(b) The bank may credit the beneficiary's account and allow withdrawal of the amount credited unless creditor process with respect to the account is served at a time and in a manner affording the bank a reasonable opportunity to act to prevent withdrawal.

(c) If creditor process with respect to the beneficiary's account has been served and the bank has had a reasonable opportunity to act on it, the bank may not reject the payment order except for a reason unrelated to the service of process.

(4) Creditor process with respect to a payment by the originator to the beneficiary pursuant to a funds transfer may be served only on the beneficiary's bank with respect to the debt owed by that bank to the beneficiary. Any other bank served with the creditor process is not obliged to act with respect to the process.

SECTION 57. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

For proper cause and in compliance with applicable law, a court may restrain:

(1) A person from issuing a payment order to initiate a funds transfer;

(2) An originator's bank from executing the payment order of the originator; or

(3) The beneficiary's bank from releasing funds to the beneficiary or the beneficiary from withdrawing the funds. A court may not otherwise restrain a person from issuing a payment order, paying or receiving payment of a payment order, or otherwise acting with respect to a funds transfer.

SECTION 58. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) If a receiving bank has received more than one (1) payment order of the sender or one (1) or more payment orders and other items that are payable from the sender's account, the bank may charge the sender's account with respect to the various orders and items in any sequence.

(2) In determining whether a credit to an account has been withdrawn by the holder of the account or applied to a debt of the holder of the account, credits first made to the account are first withdrawn or applied.

SECTION 59. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

If a receiving bank has received payment from its customer with respect to a payment order issued in the name of the customer as sender and accepted by the bank, and the customer received notification reasonably identifying the order, the customer is precluded from asserting that the bank is not entitled to retain the payment unless the customer notifies the bank of the customer's objection to the payment within one year after the notification was received by the customer.

SECTION 60. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) If, under this article, a receiving bank is obliged to pay interest with respect to a payment order issued to the bank, the amount payable may be determined:

(a) By agreement of the sender and receiving bank; or

(b) By a funds-transfer system rule if the payment order is transmitted through a funds-transfer system.

(2) If the amount of interest is not determined by an agreement or rule as stated in subsection (1), the amount is calculated by multiplying the applicable Federal Funds rate by the amount on which interest is payable, and then multiplying the product by the number of days for which interest is payable. The applicable Federal Funds rate is the average of the Federal Funds rates published by the Federal Reserve Bank of New York for each of the days for which interest is payable divided by three hundred sixty (360). The Federal Funds rate for any day on which a published rate is not available is the same as the published rate for the next preceding day for which there is a published rate. If a receiving bank that accepted a payment order is required to refund payment to the sender of the order because the funds transfer was not completed, but the failure to complete was not due to any fault by the bank, the interest payable is reduced by a percentage equal to the reserve requirement on deposits of the receiving bank.

SECTION 61. A NEW SECTION OF ARTICLE 4A OF KRS CHAPTER 355 IS CREATED TO READ AS FOLLOWS:

(1) The following rules apply unless the affected parties otherwise agree or subsection (3) applies:

(a) The rights and obligations between the sender of a payment order and the receiving bank are governed by the law of the jurisdiction in which the receiving bank is located.

(b) The rights and obligations between the beneficiary's bank and the beneficiary are governed by the law of the jurisdiction in which the beneficiary's bank is located.

(c) The issue of when payment is made pursuant to a funds transfer by the originator to the beneficiary is governed by the law of the jurisdiction in which the beneficiary's bank is located.

(2) If the parties described in each paragraph of subsection (1) have made an agreement selecting the law of a particular jurisdiction to govern rights and obligations between each other, the law of that jurisdiction governs those rights and obligations, whether or not the payment order or the funds transfer bears a reasonable relation to that jurisdiction.

(3) A funds-transfer system rule may select the law of a particular jurisdiction to govern:

(a) Rights and obligations between participating banks with respect to payment orders transmitted or processed through the system; or

(b) The rights and obligations of some or all parties to a funds transfer any part of which is carried out by means of the system.

A choice of law made pursuant to clause (a) is binding on participating banks. A choice of law made pursuant to clause (b) is binding on the originator, other sender, or a receiving bank having notice that the funds-transfer system might be used in the funds transfer and of the choice of law by the system when the originator, other sender, or receiving bank issued or accepted a payment order. The beneficiary of a funds transfer is bound by the choice of law if, when the funds transfer is initiated, the beneficiary has notice that the funds-transfer system might be used in the funds transfer and of the choice of law by the system. The law of a jurisdiction selected pursuant to this subsection may govern, whether or not that law bears a reasonable relation to the matter in issue.

(4) In the event of inconsistency between an agreement under subsection (2) and a choice-of-law rule under subsection (3), the agreement under subsection (2) prevails.

(5) If a funds transfer is made by use of more than one funds-transfer system and there is inconsistency between choice-of-law rules of the systems, the matter in issue is governed by the law of the selected jurisdiction that has the most significant relationship to the matter in issue.

Section 62. KRS 355.1-105 is amended to read as follows:

(1) Except as provided hereafter in this section, when a transaction bears a reasonable relation to this state and also to another state or nation the parties may agree that the law either of this state or of such other state or nation shall govern their rights and duties. Failing such agreement this chapter applies to transactions bearing an appropriate relation to this state.

(2) Where one ***(1)*** of the following provisions of this chapter specifies the applicable law, that provision governs and a contrary agreement is effective only to the extent permitted by the law (including the conflict of the laws rules) so specified:

Rights of creditors against sold goods. KRS 355.2-402.

Applicability of the Article on Leases. KRS 355.2A-105 and 355.2A-106.

Applicability of the Article on Bank Deposits and Collections. KRS 355.4-102.

[~~Bulk transfers subject to the Article on Bulk Transfers. KRS 355.6-102.~~]

Applicability of the Article on Investment Securities. KRS 355.8-106.

Perfection provisions of the Article on Secured Transactions. KRS 355.9-103.

Governing law in the Article on Funds Transfers. Section 61 of this Act.

Section 63. KRS 355.2-403 is amended to read as follows:

(1) A purchaser of goods acquires all title which his transferor had or had power to transfer except that a purchaser of a limited interest acquires rights only to the extent of the interest purchased. A person with voidable title has power to transfer a good title to a good faith purchaser for value. When goods have been delivered under a transaction of purchase the purchaser has such power even though

(a) the transferor was deceived as to the identity of the purchaser, or

(b) the delivery was in exchange for a check which is later dishonored, or

(c) it was agreed that the transaction was to be a "cash sale," or

(d) the delivery was procured through fraud punishable as larcenous under the criminal law.

(2) Any entrusting of possession of goods to a merchant who deals in goods of that kind gives him power to transfer all rights of the entruster to a buyer in ordinary course of business.

(3) "Entrusting" includes any delivery and any acquiescence in retention of possession regardless of any condition expressed between the parties to the delivery or acquiescence and regardless of whether the procurement of the entrusting or the possessor's disposition of the goods have been such as to be larcenous under the criminal law.

(4) The rights of other purchasers of goods and of lien creditors are governed by the Articles on Secured Transactions (Article 9)[~~, Bulk Transfers (Article 6)~~] and Documents of Title (Article 7).

Section 64. Rights and obligations that arose under KRS 355.6-101 to 355.6-111 and KRS 355.9-111 of the Uniform Commercial Code before their repeal remain valid and may be enforced as though those statutes had not been repealed.

Section 65. The following KRS sections are repealed:

355.6-101 Short title.

355.6-102 "Bulk transfers" — Transfers of equipment — Enterprises subject to this Article — Bulk transfers subject to this Article.

355.6-103 Transfers excepted from this article.

355.6-104 Schedule of property, list of creditors.

355.6-105 Notice to creditors.

355.6-106 Application of the proceeds.

355.6-107 The notice.

355.6-108 Auction sales — "Auctioneer."

355.6-109 What creditors protected.

355.6-111 Limitation of actions and levies.

355.9-111 Applicability of bulk transfer laws.

Section 66. Sections 1 to 23 of this Act shall become effective on January 1, 1993.

SB 172, AN ACT relating to Circuit Court.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 23A.040 is amended to read as follows:

The following judicial circuits are entitled to two (2) judges and shall have two (2) numbered divisions of the Circuit Court:

(1) Second Judicial Circuit.

(2) Third Judicial Circuit.

(3) Sixth Judicial Circuit.

(4) Eighth Judicial Circuit.

(5) Ninth Judicial Circuit.

(6) Seventeenth Judicial Circuit.

(7) Twenty-fourth Judicial Circuit.

(8) Twenty-fifth Judicial Circuit.

(9) Twenty-seventh Judicial Circuit.

(10) ***Twenty-eighth Judicial Circuit.***

(11) Thirty-second Judicial Circuit.

(12)[~~(11)~~] Thirty-fifth Judicial Circuit.

(13)[~~(12)~~] Forty-eighth Judicial Circuit.

Section 2. KRS 23A.020 is amended to read as follows:

The state is divided into judicial circuits, each to be composed of the following counties:

(1) First Judicial Circuit. Ballard, Carlisle, Fulton and Hickman.

(2) Second Judicial Circuit. McCracken.

(3) Third Judicial Circuit. Christian.

(4) Fourth Judicial Circuit. Hopkins.

(5) Fifth Judicial Circuit. Crittenden, Union and Webster.

(6) Sixth Judicial Circuit. Daviess.

(7) Seventh Judicial Circuit. Logan and Todd.

(8) Eighth Judicial Circuit. Warren.

(9) Ninth Judicial Circuit. Hardin.

(10) Tenth Judicial Circuit. Hart, Larue and Nelson.

(11) Eleventh Judicial Circuit. Green, Marion, Taylor and Washington.

(12) Twelfth Judicial Circuit. Henry, Oldham and Trimble.

(13) Thirteenth Judicial Circuit. Garrard ***and***[~~,~~] Jessamine [~~and Lincoln~~].

(14) Fourteenth Judicial Circuit. Bourbon, Scott and Woodford.

(15) Fifteenth Judicial Circuit. Carroll, Grant and Owen.

(16) Sixteenth Judicial Circuit. Kenton.

(17) Seventeenth Judicial Circuit. Campbell.

(18) Eighteenth Judicial Circuit. Harrison, Nicholas, Pendleton and Robertson.

(19) Nineteenth Judicial Circuit. Bracken, Fleming and Mason.

(20) Twentieth Judicial Circuit. Greenup and Lewis.

(21) Twenty-first Judicial Circuit. Bath, Menifee, Montgomery and Rowan.

(22) Twenty-second Judicial Circuit. Fayette.

(23) Twenty-third Judicial Circuit. Estill, Lee and Owsley.

(24) Twenty-fourth Judicial Circuit. Lawrence, Johnson and Martin.

(25) Twenty-fifth Judicial Circuit. Clark and Madison.

(26) Twenty-sixth Judicial Circuit. Harlan.

(27) Twenty-seventh Judicial Circuit. Knox and Laurel.

(28) Twenty-eighth Judicial Circuit. ***Lincoln,*** Pulaski, and Rockcastle.

(29) Twenty-ninth Judicial Circuit. Adair, Casey, Cumberland and Monroe.

(30) Thirtieth Judicial Circuit. Jefferson.

(31) Thirty-first Judicial Circuit. Floyd.

(32) Thirty-second Judicial Circuit. Boyd.

(33) Thirty-third Judicial Circuit. Perry.

(34) Thirty-fourth Judicial Circuit. Whitley and McCreary.

(35) Thirty-fifth Judicial Circuit. Pike.

(36) Thirty-sixth Judicial Circuit. Magoffin and Knott.

(37) Thirty-seventh Judicial Circuit. Carter, Elliott and Morgan.

(38) Thirty-eighth Judicial Circuit. Butler, Edmonson, Ohio and Hancock.

(39) Thirty-ninth Judicial Circuit. Breathitt, Wolfe and Powell.

(40) Fortieth Judicial Circuit. Clinton, Russell and Wayne.

(41) Forty-first Judicial Circuit. Clay, Jackson and Leslie.

(42) Forty-second Judicial Circuit. Calloway and Marshall.

(43) Forty-third Judicial Circuit. Barren and Metcalfe.

(44) Forty-fourth Judicial Circuit. Bell.

(45) Forty-fifth Judicial Circuit. Muhlenberg and McLean.

(46) Forty-sixth Judicial Circuit. Breckinridge, Grayson and Meade.

(47) Forty-seventh Judicial Circuit. Letcher.

(48) Forty-eighth Judicial Circuit. Franklin.

(49) Forty-ninth Judicial Circuit. Allen and Simpson.

(50) Fiftieth Judicial Circuit. Boyle and Mercer.

(51) Fifty-first Judicial Circuit. Henderson.

(52) Fifty-second Judicial Circuit. Graves.

(53) Fifty-third Judicial Circuit. Shelby, Anderson and Spencer.

(54) Fifty-fourth Judicial Circuit. Boone and Gallatin.

(55) Fifty-fifth Judicial Circuit. Bullitt.

(56) Fifty-sixth Judicial Circuit. Caldwell, Livingston, Lyon and Trigg.

The Committee Amendment No. 1 to **SB 172** is as follows:

Amend printed copy of **SB 172** on page 1, between lines 14 and 15, to add the following:

"***(ll) Thirty-first Judicial Circuit.***"; and

on page 1, line 16, to delete "***(12)***" and to insert "***(13)***"; and

on page 1, line 17, to delete "***(13)***" and to insert "***(14)***; and

on page 5, below line 8, to add the following:

"Section 2. The effective date of the judgeship provided for the Thirty-first Judicial Circuit shall be September 1, 1992."

The Committee on State Government reported **HB 317**, with Committee Substitute attached thereto, **HB 337**, **HB 388**, with Committee Substitute attached thereto, **HB 625**, **HB 650**, **HB 865** and **HCR 129** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 317, AN ACT relating to the Commonwealth venture fund.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 155.400 is amended to read as follows:

KRS 155.410 to 155.490 is known and may be cited as the "Commonwealth Venture Fund Act of ***1992***[~~1988~~]."

Section 2. KRS 155.410 is amended to read as follows:

(1) The purposes of KRS 155.410 to 155.490 are to encourage capital investment in the Commonwealth of Kentucky, to encourage the establishment or expansion of small business and industry, to provide additional jobs and to encourage the development of new products and technologies in the state through seed and venture capital investments.

(2) The investment program established by KRS 155.410 to 155.490, shall give investment preference to Kentucky businesses showing a potential for rapid growth. Insofar as possible, investments made in a Kentucky business through KRS 155.410 to 155.490 shall be used by that business to leverage additional capital investments from other sources. ***To the extent that the fund directly induces seed and venture capital investments from outside the Commonwealth to be invested in Kentucky businesses in which it is also investing, the fund may invest in business ventures outside of the Commonwealth in the amount of fifty cents ($0.50) for each dollar of capital investment brought into Kentucky.***

(3) ***Up to*** twenty percent (20%) of the funds available for investment under the provisions of KRS 155.410 to 155.490 ***may*** [~~shall~~] be ***used*** for investment in agribusiness or agriculturally related ventures.

(4) Seventy-five percent (75%) of the funds available for investment under the provisions of KRS 155.410 to 155.490 shall be for investment in small business as defined in KRS 155.420. The remaining twenty-five percent (25%) may be invested as the fund determines to provide capital to Kentucky businesses.

Section 3. KRS 155.420 is amended to read as follows:

As used in this chapter unless the context requires otherwise:

(1) "Commonwealth venture fund" means the venture capital entity established and managed pursuant to KRS 155.430.

(2) "Qualified investment" means an investment in the Commonwealth venture fund purchased in cash by a Kentucky taxpayer.

(3) "State tax liability" means a taxpayer's total state tax liability that is incurred under:

(a) KRS 136.070 - Corporation license tax;

(b) KRS 136.270 - Bank and trust company share tax;

(c) KRS 136.300 - Savings and loan tax; [~~and~~]

(d) ***KRS 136.320 - Domestic life insurance property tax; and***

(e) KRS Chapter 141 - Income tax.

(4) "Taxpayer" means any person, corporation, partnership or other entity that has any state tax liability.

(5) "Small business" means a Kentucky based company, ***including start-up and pre-start-up businesses,*** employing less than one hundred (100) people, with capitalization limits as follows:

(a) Less than five hundred thousand dollars ($500,000) for a non-manufacturing firm; or

(b) Less than one million five hundred thousand dollars ($1,500,000) for a manufacturing firm.

(6) "Capitalization" means owners' equity, common stock, preferred stock and retained earnings.

(7) "Agribusiness" means any person, partnership, corporation, or any entity engaged in an agricultural endeavor***, including forestry, horticulture, and aquaculture,*** or an agriculturally related business.

Section 4. KRS 155.430 is amended to read as follows:

(1) (a) To carry out the purposes of KRS 155.410 to 155.490, a Kentucky based venture capital entity shall be established, as provided in subsections (3), (4), ***and*** (5) [~~and (6)~~] of this section, with the name Commonwealth venture fund to provide financing to Kentucky based businesses including but not limited to corporations and partnerships.

(b) Until such time as the fund is invested in such small businesses, it may be invested in such obligations and securities as the panel or the managing firm deems prudent.

(2) ***Initial*** [~~The~~] financing provided by the Commonwealth venture fund may include any combination of equity investments, loans, guarantees and commitments for financing and the amount of financing shall be limited for any one business entity to five hundred thousand dollars ($500,000). ***Total investments, including initial and follow-on investments, in any one (1) Kentucky company shall not exceed ten percent (10%) of the fund.***

(3) The Commonwealth venture fund shall be established and a managing firm selected for the fund by a panel composed of:

(a) [~~The secretaries of the Kentucky Finance and Administration, Commerce and Revenue Cabinets. The secretary of finance and administration shall act as chairman of the panel and the secretary of commerce shall act as vice-chairman;~~

~~(b)~~] Five (5) members appointed by the Governor for a term not exceeding four (4) years. The terms of these members shall expire and cease upon the election referred to in paragraph ***(b)***[~~(c)~~];

(b)[~~(c)~~] When the fund has raised a minimum of five million dollars ($5,000,000) in commitments for investment and an initial closing has been held, the investors in the fund shall elect five (5) representatives to the panel for a two (2) year term. At the conclusion of that initial two (2) year term, the investors in the fund at that time shall elect five (5) representatives to the panel to serve terms as shall be established by the panel. The investors shall be entitled to one (1) vote for each one thousand dollars ($1,000) in capital contributed; and

(c)[~~(d)~~] After the panel has established the fund and selected the managing firm, a representative of the managing firm of the Commonwealth venture fund shall also sit on the panel as a voting member.

(4) [~~The panel shall be staffed by the Finance and Administration and Commerce Cabinets as directed by the secretary of finance and administration acting in his capacity as chairman of the panel.~~

~~(5)~~] The panel shall establish criteria and guidelines for the management of the Commonwealth venture fund based on the provisions of KRS 155.410 to 155.490 and on prudent financial and investment practices and standards.

(5)[~~(6)~~] Any private financial entity may apply to the panel to be selected as the managing firm of the Commonwealth venture fund based on the criteria and guidelines established by the panel. After review of the proposals submitted to the panel, the panel shall select an applicant to be the managing firm of the Commonwealth venture fund.

(6)[~~(7)~~] The panel shall have the authority to select or dismiss the managing firm of the Commonwealth venture fund, negotiate management fees. ***The management firm shall*** [~~, and~~] determine ***and report*** the policy for ***investments and for*** dividends, profit sharing or reinvestment of proceeds realized from investments made by the Commonwealth venture fund ***and*** [~~. The panel~~] shall not authorize any dividends to be paid from income received from investments made pursuant to subsection (1)(b) of this section until such income has been reinvested in a small business for at least five (5) years.

(7)[~~(8)~~] ***Guidelines and policies*** [~~Administrative regulations~~] necessary to carry out the purposes of KRS 155.410 to 155.490 shall be [~~promulgated and~~] issued by the panel. The guidelines and ***policies*** [~~regulations~~] shall assure that the Commonwealth venture fund shall make investments in Kentucky small businesses in a timely manner. Reporting requirements of the managing firm shall also be ***issued*** [~~promulgated~~].

Section 5. KRS 155.440 is amended to read as follows:

(1) Subject to KRS 155.450, a taxpayer is entitled to a credit against any state tax liability which may be imposed on the taxpayer for any tax year beginning after December 31, ***1991*** [~~1989~~], if the taxpayer purchases a qualified investment in the Commonwealth venture fund. However, a taxpayer may only receive a credit for qualified investments purchased during calendar years ***1991, 1992, 1993, and 1994*** [~~1988, 1989, 1990 and 1991~~]. The total amount of credit that a taxpayer may receive under KRS 155.410 to 155.490 shall be determined by multiplying the consideration paid for all qualified investments purchased by the taxpayer by four-tenths (.4).

(2) The amount of credit that a taxpayer may receive under KRS 155.410 to 155.490 for a particular taxable year shall not exceed the taxpayer's state tax liability, reduced by other credits to which the taxpayer is entitled, for that taxable year.

(3) If the amount determined in subsection (1) of this section exceeds the taxpayer's state tax liability for that tax year, then the taxpayer may carry the excess credit over to the immediately succeeding tax years. However, the credit carryover may not be used for any tax year that begins on or after January 1, ***1996*** [~~1994~~]. The amount of the carryover from a tax year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under KRS 155.410 to 155.490 for any subsequent tax year.

(4) Further, for a period not to exceed five (5) consecutive years, income that is taxable to a taxpayer who purchased a qualified investment by reason of ownership of the qualified investment shall be exempt from income taxes imposed by KRS Chapter 141 if the qualified investment is invested in an agribusiness as defined in KRS 155.420(7).

Section 6. KRS 155.460 is amended to read as follows:

(1) A credit to which a taxpayer is entitled under KRS 155.410 to 155.490 shall be applied against the following state taxes owed by the taxpayer:

(a) The taxpayer's income tax liability for the tax year;

(b) The taxpayer's bank and trust company share tax liability or savings and loan tax liability for the tax year;

(c) The taxpayer's corporation license tax for the tax year***;***

(d) The taxpayer's domestic life insurance property tax for the tax year.

(2) Whenever the tax paid by the taxpayer under any of the above listed tax provisions is a credit against the liability or a deduction in determining the tax base under another Kentucky tax provision, the credit or deduction shall be computed without regard to the credit to which a taxpayer is entitled under KRS 155.410 to 155.490.

Section 7. KRS 155.480 is amended to read as follows:

(1) If a qualified investment which is the basis for a credit under this chapter is redeemed by the fund or ***if the fund allows the qualified investment to be*** withdrawn by the taxpayer within five (5) years of the date it is purchased, the credit provided by this chapter for the qualified investment shall be disallowed, and any credit previously claimed and allowed with respect to the qualified investment so redeemed or withdrawn shall be paid to the Revenue Cabinet with the appropriate return of the taxpayer covering the period in which the redemption or withdrawal occurred. When payments are made to the cabinet under this section, the amount collected shall be handled in exactly the same manner as if no credit had been allowed.

(2) The administration of subsection (1) of this section shall not be limited by the provisions of KRS 141.210.

Section 8. KRS 155.490 is amended to read as follows:

(1) The reporting requirements from the managing firm to the panel, authorized in KRS 155.430***(6)***[~~(7)~~] of this Act, shall include but not be limited to an annual report showing:

(a) The name, address and amount of investment of each Kentucky taxpayer making a qualified investment in the Commonwealth venture fund; and

(b) The name, address, amount and terms of financing, and job creation anticipated and achieved of each business in which the fund invests.

(2) Pursuant to the exclusion provided for in KRS 61.878, the contents of the annual report from the managing firm to the panel described in subsection (1) of this section shall not be considered a public record.

(3) By February 1 of each year, the panel shall make an annual report on the Commonwealth venture fund to the Governor and the Legislative Research Commission. The annual report shall include but not be limited to the following data:

(a) The total number of investors and the amount invested in the fund, broken out and categorized by type of taxpayer, by size of investment and by geographical distribution including by area development districts; and

(b) The total number of investments and amount invested by the fund, broken out and categorized by type of businesses, size of investment, job creation anticipated and achieved, and by geographical distribution including by area development districts.

The Committee Substitute to **HB 317** is as follows:

HB 317, AN ACT relating to the Commonwealth venture fund.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 155.400 is amended to read as follows:

KRS 155.410 to 155.490 is known and may be cited as the "Commonwealth Venture Fund Act of ***1992***[~~1988~~]."

Section 2. KRS 155.410 is amended to read as follows:

(1) The purposes of KRS 155.410 to 155.490 are to encourage capital investment in the Commonwealth of Kentucky, to encourage the establishment or expansion of small business and industry, to provide additional jobs and to encourage the development of new products and technologies in the state through seed and venture capital investments.

(2) The investment program established by KRS 155.410 to 155.490, shall give investment preference to Kentucky ***small*** businesses showing a potential for rapid growth. Insofar as possible, investments made in a Kentucky business through KRS 155.410 to 155.490 shall be used by that business to leverage additional capital investments from other sources.

(3) ***Up to*** twenty percent (20%) of the funds available for investment under the provisions of KRS 155.410 to 155.490 ***may*** [~~shall~~] be ***used*** for investment in agribusiness or agriculturally related ventures. ***Further, dividends paid by the fund and capital gains distributed by the fund to an owner of a qualified investment shall be exempt from the taxes imposed by KRS Chapter 141 to the extent that the dividends or capital gains distributions are attributable to the fund's investments in agribusinesses as defined in KRS 155.420(7).***

(4) Seventy-five percent (75%) of the funds available for investment under the provisions of KRS 155.410 to 155.490 shall be for investment in small business as defined in KRS 155.420. The remaining twenty-five percent (25%) may be invested as the fund determines to provide capital to Kentucky businesses.

Section 3. KRS 155.420 is amended to read as follows:

As used in this chapter unless the context requires otherwise:

(1) "Commonwealth venture fund" means the venture capital entity established and managed pursuant to KRS 155.430.

(2) "Qualified investment" means an investment in the Commonwealth venture fund purchased in cash by a Kentucky taxpayer.

(3) "State tax liability" means a taxpayer's total state tax liability that is incurred under:

(a) KRS 136.070 - Corporation license tax;

(b) KRS 136.270 - Bank and trust company share tax;

(c) KRS 136.300 - Savings and loan tax; [~~and~~]

(d) ***KRS 136.320 - Domestic life insurance property tax; and***

(e) KRS Chapter 141 - Income tax.

(4) "Taxpayer" means any person, corporation, partnership or other entity that has any state tax liability.

(5) "Small business" means a Kentucky based company, ***including start-up and pre-start-up businesses,*** employing less than ***two*** [~~one~~] hundred ***(200)*** [~~(100)~~] people, with capitalization limits as follows:

(a) Less than five hundred thousand dollars ($500,000) for a non-manufacturing firm; or

(b) Less than one million five hundred thousand dollars ($1,500,000) for a manufacturing firm.

Employment and capitalization limits of this subsection shall apply only at the point of any initial investment by the fund.

(6) "Capitalization" means owners' equity, common stock, preferred stock, and retained earnings.

(7) "Agribusiness" means any person, partnership, corporation, or any entity engaged in an agricultural endeavor***, including forestry, horticulture, and aquaculture,*** or an agriculturally related business.

Section 4. KRS 155.430 is amended to read as follows:

(1) (a) To carry out the purposes of KRS 155.410 to 155.490, a Kentucky based venture capital entity shall be established, as provided in subsections (3), (4), ***and*** (5) [~~and (6)~~] of this section, with the name Commonwealth venture fund to provide financing to Kentucky based businesses including but not limited to corporations and partnerships.

(b) Until such time as the fund is invested in such small businesses, it may be invested in such obligations and securities as the panel or the managing firm deems prudent.

(2) ***Initial*** [~~The~~] financing provided by the Commonwealth venture fund may include any combination of equity investments, loans, guarantees and commitments for financing and the amount of financing shall be limited for any one business entity to five hundred thousand dollars ($500,000). ***Total investments, including initial and follow-on investments, in any one (1) Kentucky company shall not exceed ten percent (10%) of the fund.***

(3) The Commonwealth venture fund shall be established and a managing firm selected for the fund by a panel composed of:

(a) [~~The secretaries of the Kentucky Finance and Administration, Commerce and Revenue Cabinets. The secretary of finance and administration shall act as chairman of the panel and the secretary of commerce shall act as vice-chairman;~~

~~(b)~~] ***From*** five (5) ***to eleven (11)*** members ***from the private sector*** appointed by the Governor for a term not exceeding four (4) years. The terms of these members shall expire and cease upon the election referred to in paragraph ***(b)***[~~(c)~~];

(b)[~~(c)~~] When the fund has raised a minimum of five million dollars ($5,000,000) in commitments for investment and an initial closing has been held, the investors in the fund shall elect five (5) representatives to the panel for a two (2) year term. At the conclusion of that initial two (2) year term, the investors in the fund at that time shall elect five (5) representatives to the panel to serve terms as shall be established by the panel. The investors shall be entitled to one (1) vote for each one thousand dollars ($1,000) in capital contributed; and

(c)[~~(d)~~] After the panel has established the fund and selected the managing firm, a representative of the managing firm of the Commonwealth venture fund shall also sit on the panel as a voting member.

(4) [~~The panel shall be staffed by the Finance and Administration and Commerce Cabinets as directed by the secretary of finance and administration acting in his capacity as chairman of the panel.~~

~~(5)~~] The panel shall establish criteria and guidelines for the management of the Commonwealth venture fund based on the provisions of KRS 155.410 to 155.490 and on prudent financial and investment practices and standards.

(5)[~~(6)~~] Any private [~~financial~~] entity may apply to the panel to be selected as the managing firm of the Commonwealth venture fund based on the criteria and guidelines established by the panel. After review of the proposals submitted to the panel, the panel shall select an applicant to be the managing firm of the Commonwealth venture fund.

(6)[~~(7)~~] The panel shall have the authority to select or dismiss the managing firm of the Commonwealth venture fund, negotiate management fees. ***The management firm shall*** [~~, and~~] determine ***and report*** the policy for ***investments and for*** dividends, profit sharing or reinvestment of proceeds realized from investments made by the Commonwealth venture fund ***and*** [~~. The panel~~] shall not authorize any dividends to be paid from income received from investments made pursuant to subsection (1)(b) of this section until ***that investment*** [~~such~~] income has been reinvested in a small business for at least five (5) years.

(7)[~~(8)~~] ***Guidelines and policies*** [~~Administrative regulations~~] necessary to carry out the purposes of KRS 155.410 to 155.490 shall be [~~promulgated and~~] issued by the panel. The guidelines and ***policies*** [~~regulations~~] shall assure that the Commonwealth venture fund shall make investments in Kentucky small businesses in a timely manner. Reporting requirements of the managing firm shall also be ***issued*** [~~promulgated~~].

Section 5. KRS 155.440 is amended to read as follows:

(1) Subject to KRS 155.450, a taxpayer ***may receive*** [~~is entitled to~~] a credit against any state tax liability which may be imposed on the taxpayer for any tax year beginning after December 31, ***1991*** [~~1989~~], if the taxpayer purchases a qualified investment in the Commonwealth venture fund. However, a taxpayer may only receive a credit for qualified investments purchased during calendar years ***1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, and 1999*** [~~1988, 1989, 1990 and 1991~~]. The total amount of credit that a taxpayer may receive under KRS 155.410 to 155.490 shall be determined by multiplying the consideration paid for all qualified investments purchased by the taxpayer by four-tenths (.4) ***or forty percent (40%).***

(2) The amount of credit that a taxpayer may receive under KRS 155.410 to 155.490 for a particular taxable year shall not exceed ***twenty-five percent (25%) of the total amount of credit as determined under subsection (1) of this section, and it shall not exceed*** the taxpayer's state tax liability, reduced by other credits to which the taxpayer is entitled, for that taxable year.

(3) If the amount determined in subsection (1) of this section exceeds the taxpayer's state tax liability for that tax year, then the taxpayer may carry the excess credit over to the immediately succeeding tax years. However, the credit carryover may not be used for any tax year that begins on or after January 1, ***1996*** [~~1994~~]. The amount of the carryover from a tax year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under KRS 155.410 to 155.490 for any subsequent tax year.

Section 6. KRS 155.460 is amended to read as follows:

(1) A credit to which a taxpayer is entitled under KRS 155.410 to 155.490 shall be applied against the following state taxes owed by the taxpayer:

(a) The taxpayer's income tax liability for the tax year;

(b) The taxpayer's bank and trust company share tax liability or savings and loan tax liability for the tax year;

(c) The taxpayer's corporation license tax for the tax year***;***

(d) The taxpayer's domestic life insurance property tax for the tax year.

(2) Whenever the tax paid by the taxpayer under any of the above listed tax provisions is a credit against the liability or a deduction in determining the tax base under another Kentucky tax provision, the credit or deduction shall be computed without regard to the credit to which a taxpayer is entitled under KRS 155.410 to 155.490.

Section 7. KRS 155.480 is amended to read as follows:

(1) If a qualified investment which is the basis for a credit under this chapter is redeemed by the fund or ***if the fund allows the qualified investment to be*** withdrawn by the taxpayer within five (5) years of the date it is purchased, the credit provided by this chapter for the qualified investment shall be disallowed, and any credit previously claimed and allowed with respect to the qualified investment so redeemed or withdrawn shall be paid to the Revenue Cabinet with the appropriate return of the taxpayer covering the period in which the redemption or withdrawal occurred. When payments are made to the cabinet under this section, the amount collected shall be handled in exactly the same manner as if no credit had been allowed.

(2) The administration of subsection (1) of this section shall not be limited by the provisions of KRS 141.210.

Section 8. KRS 155.490 is amended to read as follows:

(1) The reporting requirements from the managing firm to the panel, authorized in KRS 155.430***(6)***[~~(7)~~] of this Act, shall include but not be limited to an annual report showing:

(a) The name, address and amount of investment of each Kentucky taxpayer making a qualified investment in the Commonwealth venture fund; and

(b) The name, address, amount and terms of financing, and job creation anticipated and achieved of each business in which the fund invests.

(2) Pursuant to the exclusion provided for in KRS 61.878, the contents of the annual report from the managing firm to the panel described in subsection (1) of this section shall not be considered a public record.

(3) By February 1 of each year, the panel shall make an annual report on the Commonwealth venture fund to the Governor and the Legislative Research Commission. The annual report shall include but not be limited to the following data:

(a) The total number of investors and the amount invested in the fund, broken out and categorized by type of taxpayer, by size of investment and by geographical distribution including by area development districts; and

(b) The total number of investments and amount invested by the fund, broken out and categorized by type of businesses, size of investment, job creation anticipated and achieved, and by geographical distribution including by area development districts.

SECTION 9. A NEW SECTION OF KRS CHAPTER 155 IS CREATED TO READ AS FOLLOWS:

(1) An investment may be made in the Commonwealth venture fund by an entity which is not subject to any of the taxes listed in KRS 155.420 and KRS 155.460.

(2) When an investment of the kind specified in subsection (1) of this section is made, the investing entity shall be deemed to have acquired a transferable tax credit and the amount of the tax credit shall be calculated in the same way specified for a qualified investment by KRS 155.440.

(3) A transferable tax credit may be transferred only as a whole and in full, and transferred only one (1) time. A transferred tax credit shall be documented and redeemed in the manner prescribed by the Revenue Cabinet and in a manner consistent with KRS 155.440 to 155.470.

(4) No entity making an investment in the Commonwealth venture fund as authorized by this section shall be entitled to participate in the voting process specified in KRS 155.430 (3)(c), nor shall the purchase of a transferable tax credit carry any voting privileges, as specified in KRS 155.430(3)(c), to the purchaser.

HB 337, AN ACT relating to state mandates.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 6.950 TO 6.975 IS CREATED TO READ AS FOLLOWS:

(1) Any state mandate, as determined by KRS 6.965, shall provide a means to finance the ongoing cost for the local governments affected, except as provided for in subsection (4) of this section. Within the limitations of the Kentucky Revised Statutes and the Constitution, the means of financing a state mandate may be through:

(a) The remission of additional funds of the state to the local governments;

(b) Specific authority granted the local governments to levy a special tax; or

(c) Other sources provided by the mandate.

(2) The method of financing shall bear a reasonable relationship to the determination by the fiscal note of the costs of the state mandate and shall not reduce or adversely affect other state or federal revenues shared with or granted to local governments.

(3) If subsection (1)(a) of this section is chosen to finance the state mandate, a statement containing an estimate of its effect on expenditures or revenues of the state government for the first full fiscal year shall be prepared by the Legislative Research Commission. This statement shall be attached to the state mandate prior to any vote on it by either house of the General Assembly.

(4) The provisions of subsection (1) of this section may, in times of fiscal emergency or constraint, be suspended by a majority vote of the membership of the General Assembly.

SECTION 2. A NEW SECTION OF KRS 6.950 TO 6.975 IS CREATED TO READ AS FOLLOWS:

(1) The Legislative Research Commission shall prepare a biennial report that:

(a) Identifies existing state mandates;

(b) Examines a cross-section of the local governments of the Commonwealth to determine the fiscal impact of existing state mandates;

(c) Categorizes which mandates are best financed by state government, local governments, or both; and

(d) Proposes methods for financing state mandates.

(2) This report shall be distributed to the members of the General Assembly and the Governor by September 15, 1993, and by September 15 every two (2) years thereafter.

Section 3. KRS 6.950 is amended to read as follows:

As used in KRS 6.955 to 6.975, unless the context otherwise requires:

(1) "Fiscal note" means a realistic statement of the estimated effect on expenditures or revenue of local government in implementing or complying with any proposed act of the General Assembly whether filed in regular session or prefiled during the interim, regulation, order or administrative law.

(2) "Local government" means cities, counties, [~~or~~] urban-county***, or charter-county*** governments.

(3) "State mandate" means any state constitutional, legislative or executive law or order which requires any local government to establish, expand or modify its activities, programs or structure in such a way as to affect expenditures from local revenues.

HB 388, AN ACT relating to open records of public agencies.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 61 IS CREATED TO READ AS FOLLOWS:

The General Assembly finds and declares that the basic policy of KRS 61.870 to 61.884 is that free and open examination of public records is in the public interest and the exceptions provided for by Section 5 of this Act or otherwise provided by law shall be strictly construed, even though that examination may cause inconvenience or embarrassment to public officials or others. The General Assembly further finds and declares that there exists an essential relationship between the intent of this chapter and that of KRS 171.410 to 171.740, dealing with the management of public records, and of KRS 61.940 to 61.945, dealing with the coordination of strategic planning for computerized information systems in state government, and that to ensure the efficient administration of government and to provide accountability of government activities, public agencies are required to manage and maintain their records according to the requirements of these statutes. The General Assembly further recognizes that while all government agency records are public records for the purpose of their management, not all of these records are open to public access, as defined in this chapter, some being subject to access limitations cited in KRS 61.878.

Section 2. KRS 61.870 is amended to read as follows:

As used in KRS 61.872 to 61.884:

(1) "Public agency" means every state or local officer, state department, division, bureau, board, commission and authority; every legislative board, commission, committee and officer; every county and city governing body, council, school district board, special district board, municipal corporation, court or judicial

agency, and any board, department, commission, committee, subcommittee, ad hoc committee, council or agency thereof; and any other body which is created by state or local authority in any branch of government or which derives at least twenty-five percent (25%) of its funds from state or local authority;

(2) "Public record" means all books, papers, maps, photographs, cards, tapes, discs, diskettes, recordings or other documentary materials regardless of physical form or characteristics, which are prepared, owned, used, in the possession of or retained by a public agency. "Public record" shall not include any records owned by a private person or corporation that are not related to functions, activities, programs or operations funded by state or local authority;

(3) ***"Software" means the program code which makes a computer system function, but does not include that portion of the program code which contains specific addresses of files, as well as passwords, access codes, and user identifications, in the public agency's computer system. Software consists of the operating system, application programs, procedures, routines, and subroutines such as translators and utility programs, but does not include any material which is prohibited from disclosure or copying by a bona fide license agreement between a public agency and an outside entity which supplied the material to the agency;***

(4) (a) "Commercial purpose" means the direct or indirect use of all or any part of a public record or records, in any form, for sale; resale; solicitation; sale, rent, or lease of a service; or any commercial venture.

(b) "Commercial purpose" does not include:

1. Publication, broadcast, or other related use of a public record or records by a newspaper or periodical; or

2. Use of a public record or records by a radio or television station in its news or other informational programs;

(5) "Official custodian" means the chief administrative officer or any other officer or employee of a public agency who is responsible for the maintenance, care and keeping of public records, regardless of whether such records are in his actual personal custody and control; and

(6)[~~(4)~~] "Custodian" means the official custodian or any authorized person having personal custody and control of public records.

Section 3. KRS 61.872 is amended to read as follows:

(1) All public records shall be open for inspection by any person, except as otherwise provided by KRS 61.870 to 61.884 ***and so designated in the agency's public records retention schedule***, and suitable facilities shall be made available by each public agency for the exercise of this right. No person shall remove original copies of public records from the offices of any public agency without the written permission of the official custodian of the record.

(2) Any person shall have the right to inspect public records [~~during the regular office hours of the public agency~~]. The official custodian may require written application describing the records to be inspected.

(3) If the person to whom the application is directed does not have custody or control of the public record requested, such person shall so notify the applicant and shall furnish the name and location of the custodian of the public record, ***as designated in the agency's public records retention schedule*** [~~if such facts are known to him~~].

(4) If the public record is in active use, in storage or not otherwise available, the official custodian shall immediately so notify the applicant and shall designate a place, time and date, for inspection of the public records, not to exceed three (3) days from receipt of the application, unless a detailed explanation of the cause is given for further delay and the place, time and earliest date on which the public record will be available for inspection.

(5) If the application places an unreasonable burden in producing voluminous public records or if the custodian has reason to believe that repeated requests are intended to disrupt other essential functions of the public agency, the official custodian may refuse to permit inspection of the public records. However, refusal under this section must be sustained by clear and convincing evidence.

Section 4. KRS 61.874 is amended to read as follows:

(1) Upon inspection, the applicant shall have the right to make abstracts of the public records and memoranda thereof, and to obtain copies of all [~~written~~] public records ***not exempted by the terms of KRS 61.878***. When copies are requested, the custodian may require a written request and advance payment of the prescribed fee. If the applicant desires copies of public records other than written records, the custodian of such records shall permit the applicant to duplicate such records, however, the custodian ***shall*** [~~may~~] ensure that such duplication will not damage or alter the ***original*** records.

(2) ***Nonexempt public records used for noncommercial purposes shall be available for copying in either standard electronic or a standard hard copy format, as designated by the party requesting the records. The minimum standard format in paper form shall be defined as not less than 8 1/2" x 11" in at least one (1) color on white paper; or for electronic format, in a flat file electronic American Standard Code for Information Interchange (ASCII) format. If the public agency maintains electronic public records in a format other than ASCII and this format conforms to a requestor's requirements, the public record may be provided in this alternate electronic format for standard fees as specified by the public agency. Any request for a public record in a form other than the forms described in this section shall be considered as a nonstandarized request*** [~~The public agency may prescribe a reasonable fee for making copies of public records which shall not exceed the actual cost thereof not including the cost of staff required~~].

(3) The public agency may prescribe a reasonable fee for making copies of nonexempt public records used for noncommercial purposes which shall not exceed the actual cost of reproduction, including the costs of the media and any mechanical processing cost incurred by the public agency, but not including the cost of staff required. In the case where a public agency is asked to produce a record in a nonstandardized format or tailor the format to meet a request of an individual or a group, the public agency may recover staff costs as well as any actual costs incurred.

(4) If a party wishes to access public records by electronic means, a public agency may require that the party enter into a contract, license, or other agreement with the agency, and may charge fees for these agreements, which fees shall not exceed the cost of physical connection to the system and the reasonable cost of computer time access charges.

(5) If the person requesting the public records requests that copies of the records be mailed, the official custodian shall mail the copies upon receipt of all fees and the cost of mailing the requested records.

(6) If nonexempt public records are requested for commercial purposes, the public agency may establish a reasonable fee based on the principle of sharing the costs incurred by the agency in creating and maintaining those public records which are to be used for commercial purposes.

(a) The public agency from which a copy of a nonexempt public record is requested for a commercial purpose may require a certified statement from the requestor stating the commercial purpose for which it shall be used.

(b) The public agency which maintains the public record being requested for commercial purposes may require the requestor to enter into a contract with the agency. The contract shall permit use of the public record or records for the stated commercial purpose for a specified fee.

(c) The fee shall be based on:

(1) The cost to the public agency of media, mechanical processing and personnel required to produce a copy of the public record; and

(2) The cost to the public agency of the creation, purchase, or other acquisition of the public record.

(7) No person shall obtain a copy of all or any part of a public record for any of the following purposes:

(a) A commercial purpose without stating the commercial purpose if a certified statement from the requestor was required by the public agency pursuant to Section 6(a);

(b) A commercial purpose as specified to the public agency pursuant to Section 6(a), when the person then uses or knowingly allows the use of the public record for a different commercial purpose; or

(c) A noncommercial purpose, when the person then uses or knowingly allows the use of the public record for a commercial purpose. A newspaper, periodical, radio, or television station shall not be held to have used or knowingly allowed for the use of the public record or records for a commercial purpose as a result of its publication or broadcast unless it has given its express permission for that commercial use.

Section 5. KRS 61.878 is amended to read as follows:

(1) The following public records are excluded from the application of KRS 61.870 to 61.884 and shall be subject to inspection only upon order of a court of competent jurisdiction:

(a) Public records containing information of a personal nature where the public disclosure thereof would constitute a clearly unwarranted invasion of personal privacy;

(b) Records confidentially disclosed to an agency and compiled and maintained for scientific research, in conjunction with an application for a loan, the regulation of commercial enterprise, including mineral exploration records, unpatented, secret commercially valuable plans, appliances, formulae, or processes, which are used for the making, preparing, compounding, treating, or processing of articles or materials which are trade commodities obtained from a person and which are generally recognized as confidential, or for the grant or review of a license to do business and if openly disclosed would permit an unfair advantage to competitors of the subject enterprise. This exemption shall not, however, apply to records the disclosure or publication of which is directed by another statute;

(c) Public records pertaining to a prospective location of a business or industry where no previous public disclosure has been made of the business' or industry's interest in locating in, relocating within or expanding within the Commonwealth. Provided, however, that this exemption shall not include those records pertaining to application to agencies for permits or licenses necessary to do business or to expand business operations within the state, except as provided in paragraph (b) of this subsection;

(d) The contents of real estate appraisals, engineering or feasibility estimates and evaluations made by or for a public agency relative to acquisition of property, until such time as all of the property has been acquired; provided, however, the law of eminent domain shall not be affected by this provision;

(e) Test questions, scoring keys and other examination data used to administer a licensing examination, examination for employment or academic examination before the exam is given or if it is to be given again;

(f) Records of law enforcement agencies or agencies involved in administrative adjudication that were compiled in the process of detecting and investigating statutory or regulatory violations if the disclosure of the information would harm the agency by revealing the identity of informants not otherwise known or by premature release of information to be used in a prospective law enforcement action or administrative adjudication. Unless exempted by other provisions of KRS 61.870 to 61.884, public records exempted under this provision shall be open after enforcement action is completed or a decision is made to take no action. Provided, however that the exemptions provided by this subsection shall not be used by the custodian of the records to delay or impede the exercise of rights granted by KRS 61.870 to 61.884;

(g) Preliminary drafts, notes, correspondence with private individuals, other than correspondence which is intended to give notice of final action of a public agency;

(h) Preliminary recommendations, and preliminary memoranda in which opinions are expressed or policies formulated or recommended;

(i) All public records or information the disclosure of which is prohibited by federal law or regulation; [~~and~~]

(j) Public records or information the disclosure of which is prohibited or restricted or otherwise made confidential by enactment of the General Assembly***; and***

(k) Records containing information on the site specific location of rare, threatened, endangered, or otherwise imperiled flora and fauna as well as archeological sites if the public entity with responsibility has reason to believe disclosure of these records would endanger the integrity of the resource.

(2) No exemption in this section shall be construed to prohibit disclosure of statistical information not descriptive of any readily identifiable person.

(3) No exemption in this section shall be construed to deny, abridge or impede the right of a state employee, an applicant for employment, or an eligible on a register to inspect and to copy any record including preliminary and other supporting documentation that relates to him. Such records shall include, but not be limited to, work plans, job performance, demotions, evaluations, promotions, compensation, classification, reallocation, transfers, layoffs, disciplinary actions, examination scores and preliminary and other supporting documentation. A state employee, applicant or eligible shall not have the right to inspect or to copy any examination.

(4) If any public record contains material which is not excepted under this section, the public agency shall separate the excepted and make the nonexcepted material available for examination.

(5) The provisions of this section shall in no way prohibit or limit the exchange of public records or the sharing of information between public agencies when the exchange is serving a legitimate governmental need or is necessary in the performance of a legitimate government function.

Section 6. KRS 61.880 is amended to read as follows:

(1) ***If a person enforces KRS 61.870 to 61.884 pursuant to this section, he shall begin enforcement under this subsection before proceeding to enforcement under subsection (2) of this section.*** Each public agency, upon any request for records made under KRS 61.870 to 61.884, shall determine within three (3) days, [~~(~~]excepting Saturdays, Sundays, and legal holidays,[~~)~~] after the receipt of any such request whether to comply with the request and shall notify in writing the person making the request, within the three (3) day period, of its decision. An agency response denying, in whole or in part, inspection of any record shall include a statement of the specific exception authorizing the withholding of the record and a brief explanation of how the exception applies to the record withheld. The response shall be issued by the official custodian or under his authority, and it shall constitute final agency action.

(2) ***If a complaining party wishes the Attorney General to review a public agency's denial of a request to inspect a public record, the complaining party shall forward to the Attorney General a copy of the written request and a copy of the written response denying inspection. If the public agency refuses to provide a written response, a complaining party shall provide a copy of the written request.*** [~~A copy of the written response denying inspection of a public record shall be forwarded immediately by the agency to the Attorney General of the Commonwealth of Kentucky. If requested by the person seeking inspection,~~] The Attorney General shall review the ***request and*** denial and issue within ten (10) days, [~~(~~]excepting Saturdays, Sundays and legal holidays,[~~)~~] a written ***decision*** [~~opinion to the agency concerned,~~] stating whether the agency ***violated the*** [~~acted consistent with~~] provisions of KRS 61.870 to 61.884. ***On the day that the Attorney General renders his decision, he shall mail a copy to the agency and*** a copy [~~of the opinion shall also be sent by the Attorney General~~] to the person who requested the record in question. The burden of proof in sustaining the action shall rest with the agency, and the Attorney General may request additional documentation from the agency for substantiation. The Attorney General may also request a copy of the records involved but they shall not be disclosed.

(3) Each agency shall notify the Attorney General of any actions filed against that agency in Circuit Court regarding the enforcement of KRS 61.870 to 61.884.

(4) In the event a person feels the intent of KRS 61.870 to 61.884 is being subverted by an agency short of denial of inspection, including but not limited to the imposition of excessive fees or the misdirection of the applicant, the person may complain in writing to the Attorney General and the complaint shall be subject to the same adjudicatory process as if the record had been denied.

(5) ***(a) A party shall have ten (10) days from the day that the Attorney General renders his decision to appeal the decision. An appeal within the ten (10) day time limit shall be treated as if it were an action brought under Section 7 of this Act.***

(b) If an appeal is not filed within the ten (10) day time limit, the Attorney General's decision shall have the force and effect of law and shall be enforceable in the Circuit Court of the county where the public agency has its principal place of business or the Circuit Court of the county where the public record is maintained [~~If the Attorney General upholds, in whole or in part, the request for inspection, the public agency involved may institute proceedings within thirty (30) days for injunctive or declaratory relief in the circuit court of the district where the public record is maintained. If the Attorney General disallows the request or if the public agency continues to withhold the record notwithstanding the opinion of the Attorney General, the person seeking disclosure may institute such proceedings~~].

Section 7. KRS 61.882 is amended to read as follows:

(1) ***The Circuit Court of the county where the public agency has its principal place of business or the Circuit Court of the county where the public record is maintained*** [~~The Circuit Courts of this state~~] shall have jurisdiction to enforce the ***provisions*** [~~purposes~~] of KRS 61.870 to 61.884, by injunction or other appropriate order on application of any ***person*** [~~citizen of this state~~].

(2) In order for the Circuit Courts of this state to exercise their jurisdiction to enforce the ***provisions*** [~~purposes~~] of KRS 61.870 to 61.884, it shall not be necessary ***for a complaining party to have complied with any of the provisions of Section 6 of this Act*** [~~to have forwarded any request for the documents to the~~

~~Attorney General pursuant to KRS 61.880, or for the Attorney General to have acted in any manner upon a request for his opinion~~].

(3) In any such action, the court shall determine the matter de novo and the burden of proof shall be on the public agency to sustain its action. The court on its own motion, or on motion of either of the parties, may view the records in controversy in camera before reaching a decision. Any noncompliance with the order of the court may be punished as contempt of court.

(4) [~~Courts shall take into consideration the basic policy of KRS 61.870 to 61.884 that free and open examination of public records is in the public interest and the exceptions provided for by KRS 61.870 to 61.884 or otherwise provided for by law shall be strictly construed, even though such examination may cause inconvenience or embarrassment to public officials or others.~~] Except as otherwise provided by law or rule of court, proceedings arising under this section take ***precedence*** [~~precedent~~] on the docket over all other causes and shall be assigned for hearing and trial at the earliest practicable date.

(5) Any person who prevails against ***any*** [~~an~~] agency in any action in the courts ***regarding a violation of KRS 61.870 to 61.884*** [~~seeking the right to inspect and copy any public record~~] may[~~, upon a finding that the records were wilfully withheld in violation of KRS 61.870 to 61.884,~~] be awarded [~~all~~] costs, including reasonable ***attorney's*** [~~attorney~~] fees, incurred in connection with ***the*** [~~such~~] legal action. [~~If such person prevails in part, the court may in its discretion award him costs or an appropriate portion thereof.~~] In addition, it shall be within the discretion of the court to award ***the*** [~~such~~] person an amount not to exceed twenty-five dollars ($25) for each day that he was denied the right to inspect or copy said public record. ***Attorney's fees,*** [~~The~~] costs***, and awards under this subsection*** [~~or award~~] shall be paid by ***the*** [~~such person or~~] agency ***that*** [~~as~~] the court ***determines*** [~~shall determine~~] is responsible for the violation.

Section 8. KRS 61.992 is amended to read as follows:

A person who violates any provision of KRS ***61.874(6) or (7)*** [~~61.960 to 61.975~~] shall be liable to the public agency from which the ***public records were*** [~~database or the geographic information system was~~] obtained for damages in the amount of:

(1) Three (3) times the amount that would have been charged for the ***public record*** [~~database or the geographic information system~~] if the actual commercial purpose for which it was obtained or used had been stated;

(2) Costs and reasonable attorneys' fees; and

(3) Any other penalty established by law.

Section 9. The following KRS sections are repealed:

61.960 Definitions for KRS 61.965 to 61.975 and 61.992.

61.965 Application of KRS 61.965 to 61.975.

61.970 Use of database or geographic information system.

61.975 Public records available for inspection — Fees for copying or contracts for electronic use.

The Committee Substitute to **HB 388** is as follows:

HB 388, AN ACT relating to open records of public agencies.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 61 IS CREATED TO READ AS FOLLOWS:

The General Assembly finds and declares that the basic policy of KRS 61.870 to 61.884 is that free and open examination of public records is in the public interest and the exceptions provided for by Section 5 of this Act or otherwise provided by law shall be strictly construed, even though that examination may cause inconvenience or embarrassment to public officials or others. The General Assembly further finds and declares that there exists an essential relationship between the intent of this chapter and that of KRS 171.410 to 171.740, dealing with the management of public records, and of KRS 61.940 to 61.945, dealing with the coordination of strategic planning for computerized information systems in state government, and that to ensure the efficient administration of government and to provide accountability of government activities,

public agencies are required to manage and maintain their records according to the requirements of these statutes. The General Assembly further recognizes that while all government agency records are public records for the purpose of their management, not all of these records are open to public access, as defined in this chapter, some being subject to access limitations cited in KRS 61.878.

Section 2. KRS 61.870 is amended to read as follows:

As used in KRS 61.872 to 61.884:

(1) "Public agency" means every state or local officer, state department, division, bureau, board, commission and authority; every legislative board, commission, committee and officer; every county and city governing body, council, school district board, special district board, municipal corporation, court or judicial agency, and any board, department, commission, committee, subcommittee, ad hoc committee, council or agency thereof; and any other body which is created by state or local authority in any branch of government or which derives at least twenty-five percent (25%) of its funds from state or local authority;

(2) "Public record" means all books, papers, maps, photographs, cards, tapes, discs, diskettes, recordings, ***software,*** or other documentary materials regardless of physical form or characteristics, which are prepared, owned, used, in the possession of or retained by a public agency. "Public record" shall not include any records owned by a private person or corporation that are not related to functions, activities, programs or operations funded by state or local authority;

(3) ***"Software" means the program code which makes a computer system function, but does not include that portion of the program code which contains specific addresses of files, as well as passwords, access codes, and user identifications, in the public agency's computer system. Software consists of the operating system, application programs, procedures, routines, and subroutines such as translators and utility programs, but does not include any material which is prohibited from disclosure or copying by a bona fide license agreement between a public agency and an outside entity which supplied the material to the agency;***

(4) (a) "Commercial purpose" means the direct or indirect use of all or any part of a public record or records, in any form, for sale; resale; solicitation; sale, rent, or lease of a service; or any commercial venture.

(b) "Commercial purpose" does not include:

1. Publication, broadcast, or other related use of a public record or records by a newspaper or periodical; or

2. Use of a public record or records by a radio or television station in its news or other informational programs;

(5) "Official custodian" means the chief administrative officer or any other officer or employee of a public agency who is responsible for the maintenance, care and keeping of public records, regardless of whether such records are in his actual personal custody and control; and

(6)[~~(4)~~] "Custodian" means the official custodian or any authorized person having personal custody and control of public records.

Section 3. KRS 61.872 is amended to read as follows:

(1) All public records shall be open for inspection by any person, except as otherwise provided by KRS 61.870 to 61.884, and suitable facilities shall be made available by each public agency for the exercise of this right. No person shall remove original copies of public records from the offices of any public agency without the written permission of the official custodian of the record.

(2) Any person shall have the right to inspect public records during the regular office hours of the public agency. The official custodian may require written application describing the records to be inspected.

(3) If the person to whom the application is directed does not have custody or control of the public record requested, such person shall so notify the applicant and shall furnish the name and location of the custodian of the public record, ***as designated in the agency's public records retention schedule*** [~~if such facts are known to him~~].

(4) If the public record is in active use, in storage or not otherwise available, the official custodian shall immediately so notify the applicant and shall designate a place, time and date, for inspection of the public

records, not to exceed three (3) days from receipt of the application, unless a detailed explanation of the cause is given for further delay and the place, time and earliest date on which the public record will be available for inspection.

(5) If the application places an unreasonable burden in producing voluminous public records or if the custodian has reason to believe that repeated requests are intended to disrupt other essential functions of the public agency, the official custodian may refuse to permit inspection of the public records. However, refusal under this section must be sustained by clear and convincing evidence.

Section 4. KRS 61.874 is amended to read as follows:

(1) Upon inspection, the applicant shall have the right to make abstracts of the public records and memoranda thereof, and to obtain copies of all [~~written~~] public records ***not exempted by the terms of KRS 61.878.*** When copies are requested, the custodian may require a written request and advance payment of the prescribed fee. If the applicant desires copies of public records other than written records, the custodian of such records shall permit the applicant to duplicate such records, however, the custodian ***shall*** [~~may~~] ensure that such duplication will not damage or alter the ***original*** records.

(2) ***Nonexempt public records used for noncommercial purposes shall be available for copying in either standard electronic or a standard hard copy format, as designated by the party requesting the records. The minimum standard format in paper form shall be defined as not less than 8 1/2" x 11" in at least one (1) color on white paper; or for electronic format, in a flat file electronic American Standard Code for Information Interchange (ASCII) format. If the public agency maintains electronic public records in a format other than ASCII and this format conforms to a requestor's requirements, the public record may be provided in this alternate electronic format for standard fees as specified by the public agency. Any request for a public record in a form other than the forms described in this section shall be considered as a nonstandarized request*** [~~The public agency may prescribe a reasonable fee for making copies of public records which shall not exceed the actual cost thereof not including the cost of staff required~~].

(3) The public agency may prescribe a reasonable fee for making copies of nonexempt public records used for noncommercial purposes which shall not exceed the actual cost of reproduction, including the costs of the media and any mechanical processing cost incurred by the public agency, but not including the cost of staff required. In the case where a public agency is asked to produce a record in a nonstandardized format or tailor the format to meet a request of an individual or a group, the public agency may recover staff costs as well as any actual costs incurred.

(4) On-line access by electronic means to public records not exempted by KRS 61.878 shall be at the discretion of the public agency. If a public agency provides on-line access it may require that the party desiring such access enter into a contract, license, or other agreement with the agency, and may charge fees for these agreements, which fees shall not exceed the cost of providing access to the system and the reasonable cost of computer time.

(5) If the person requesting the public records requests that copies of the records be mailed, the official custodian shall mail the copies upon receipt of all fees and the cost of mailing the requested records.

(6) If nonexempt public records are requested for commercial purposes, the public agency may establish a reasonable fee based on the principle of sharing the costs incurred by the agency in creating and maintaining those public records which are to be used for commercial purposes.

(a) The public agency from which a copy of a nonexempt public record is requested for a commercial purpose may require a certified statement from the requestor stating the commercial purpose for which it shall be used.

(b) The public agency which maintains the public record being requested for commercial purposes may require the requestor to enter into a contract with the agency. The contract shall permit use of the public record or records for the stated commercial purpose for a specified fee.

(c) The fee shall be based on:

(1) The cost to the public agency of media, mechanical processing and personnel required to produce a copy of the public record; and

(2) The cost to the public agency of the creation, purchase, or other acquisition of the public record.

(7) No person shall obtain a copy of all or any part of a public record for any of the following purposes:

(a) A commercial purpose without stating the commercial purpose if a certified statement from the requestor was required by the public agency pursuant to Section 6(a);

(b) A commercial purpose as specified to the public agency pursuant to Section 6(a), when the person then uses or knowingly allows the use of the public record for a different commercial purpose; or

(c) A noncommercial purpose, when the person then uses or knowingly allows the use of the public record for a commercial purpose. A newspaper, periodical, radio, or television station shall not be held to have used or knowingly allowed for the use of the public record or records for a commercial purpose as a result of its publication or broadcast unless it has given its express permission for that commercial use.

Section 5. KRS 61.878 is amended to read as follows:

(1) The following public records are excluded from the application of KRS 61.870 to 61.884 and shall be subject to inspection only upon order of a court of competent jurisdiction:

(a) Public records containing information of a personal nature where the public disclosure thereof would constitute a clearly unwarranted invasion of personal privacy;

(b) Records confidentially disclosed to an agency and compiled and maintained for scientific research, in conjunction with an application for a loan, the regulation of commercial enterprise, including mineral exploration records, unpatented, secret commercially valuable plans, appliances, formulae, or processes, which are used for the making, preparing, compounding, treating, or processing of articles or materials which are trade commodities obtained from a person and which are generally recognized as confidential, or for the grant or review of a license to do business and if openly disclosed would permit an unfair advantage to competitors of the subject enterprise. This exemption shall not, however, apply to records the disclosure or publication of which is directed by another statute;

(c) Public records pertaining to a prospective location of a business or industry where no previous public disclosure has been made of the business' or industry's interest in locating in, relocating within or expanding within the Commonwealth. Provided, however, that this exemption shall not include those records pertaining to application to agencies for permits or licenses necessary to do business or to expand business operations within the state, except as provided in paragraph (b) of this subsection;

(d) The contents of real estate appraisals, engineering or feasibility estimates and evaluations made by or for a public agency relative to acquisition of property, until such time as all of the property has been acquired; provided, however, the law of eminent domain shall not be affected by this provision;

(e) Test questions, scoring keys and other examination data used to administer a licensing examination, examination for employment or academic examination before the exam is given or if it is to be given again;

(f) Records of law enforcement agencies or agencies involved in administrative adjudication that were compiled in the process of detecting and investigating statutory or regulatory violations if the disclosure of the information would harm the agency by revealing the identity of informants not otherwise known or by premature release of information to be used in a prospective law enforcement action or administrative adjudication. Unless exempted by other provisions of KRS 61.870 to 61.884, public records exempted under this provision shall be open after enforcement action is completed or a decision is made to take no action. Provided, however that the exemptions provided by this subsection shall not be used by the custodian of the records to delay or impede the exercise of rights granted by KRS 61.870 to 61.884;

(g) Preliminary drafts, notes, correspondence with private individuals, other than correspondence which is intended to give notice of final action of a public agency;

(h) Preliminary recommendations, and preliminary memoranda in which opinions are expressed or policies formulated or recommended;

(i) All public records or information the disclosure of which is prohibited by federal law or regulation; [~~and~~]

(j) Public records or information the disclosure of which is prohibited or restricted or otherwise made confidential by enactment of the General Assembly***; and***

(k) Records containing information on the site specific location of rare, threatened, endangered, or otherwise imperiled flora and fauna as well as archeological sites if the public entity with responsibility has reason to believe disclosure of these records would endanger the integrity of the resource.

(2) No exemption in this section shall be construed to prohibit disclosure of statistical information not descriptive of any readily identifiable person.

(3) No exemption in this section shall be construed to deny, abridge or impede the right of a state employee, an applicant for employment, or an eligible on a register to inspect and to copy any record including preliminary and other supporting documentation that relates to him. Such records shall include, but not be limited to, work plans, job performance, demotions, evaluations, promotions, compensation, classification, reallocation, transfers, layoffs, disciplinary actions, examination scores and preliminary and other supporting documentation. A state employee, applicant or eligible shall not have the right to inspect or to copy any examination.

(4) If any public record contains material which is not excepted under this section, the public agency shall separate the excepted and make the nonexcepted material available for examination.

(5) The provisions of this section shall in no way prohibit or limit the exchange of public records or the sharing of information between public agencies when the exchange is serving a legitimate governmental need or is necessary in the performance of a legitimate government function.

Section 6. KRS 61.880 is amended to read as follows:

(1) ***If a person enforces KRS 61.870 to 61.884 pursuant to this section, he shall begin enforcement under this subsection before proceeding to enforcement under subsection (2) of this section.*** Each public agency, upon any request for records made under KRS 61.870 to 61.884, shall determine within three (3) days, [~~(~~]excepting Saturdays, Sundays, and legal holidays,[~~)~~] after the receipt of any such request whether to comply with the request and shall notify in writing the person making the request, within the three (3) day period, of its decision. An agency response denying, in whole or in part, inspection of any record shall include a statement of the specific exception authorizing the withholding of the record and a brief explanation of how the exception applies to the record withheld. The response shall be issued by the official custodian or under his authority, and it shall constitute final agency action.

(2) ***If a complaining party wishes the Attorney General to review a public agency's denial of a request to inspect a public record, the complaining party shall forward to the Attorney General a copy of the written request and a copy of the written response denying inspection. If the public agency refuses to provide a written response, a complaining party shall provide a copy of the written request.*** [~~A copy of the written response denying inspection of a public record shall be forwarded immediately by the agency to the Attorney General of the Commonwealth of Kentucky. If requested by the person seeking inspection,~~] The Attorney General shall review the ***request and*** denial and issue within ten (10) days, [~~(~~]excepting Saturdays, Sundays and legal holidays,[~~)~~] a written ***decision*** [~~opinion to the agency concerned,~~] stating whether the agency ***violated the*** [~~acted consistent with~~] provisions of KRS 61.870 to 61.884. ***On the day that the Attorney General renders his decision, he shall mail a copy to the agency and*** a copy [~~of the opinion shall also be sent by the Attorney General~~] to the person who requested the record in question. The burden of proof in sustaining the action shall rest with the agency, and the Attorney General may request additional documentation from the agency for substantiation. The Attorney General may also request a copy of the records involved but they shall not be disclosed.

(3) Each agency shall notify the Attorney General of any actions filed against that agency in Circuit Court regarding the enforcement of KRS 61.870 to 61.884.

(4) In the event a person feels the intent of KRS 61.870 to 61.884 is being subverted by an agency short of denial of inspection, including but not limited to the imposition of excessive fees or the misdirection of the applicant, the person may complain in writing to the Attorney General and the complaint shall be subject to the same adjudicatory process as if the record had been denied.

(5) ***(a) A party shall have ten (10) days from the day that the Attorney General renders his decision to appeal the decision. An appeal within the ten (10) day time limit shall be treated as if it were an action brought under Section 7 of this Act.***

(b) If an appeal is not filed within the ten (10) day time limit, the Attorney General's decision shall have the force and effect of law and shall be enforceable in the Circuit Court of the county where the public agency has its principal place of business or the Circuit Court of the county where the public record is maintained [~~If the Attorney General upholds, in whole or in part, the request for inspection, the public agency involved may institute proceedings within thirty (30) days for injunctive or declaratory relief in the circuit court of the district where the public record is maintained. If the Attorney General disallows the request or if the public agency continues to withhold the record notwithstanding the opinion of the Attorney General, the person seeking disclosure may institute such proceedings~~].

Section 7. KRS 61.882 is amended to read as follows:

(1) ***The Circuit Court of the county where the public agency has its principal place of business or the Circuit Court of the county where the public record is maintained*** [~~The Circuit Courts of this state~~] shall have jurisdiction to enforce the ***provisions*** [~~purposes~~] of KRS 61.870 to 61.884, by injunction or other appropriate order on application of any ***person*** [~~citizen of this state~~].

(2) ***A person alleging a violation of the provisions of KRS 61.870 to 61.884 shall not have to exhaust his remedies under Section 6 of this Act before filing suit in Circuit Court*** [~~In order for the Circuit Courts of this state to exercise their jurisdiction to enforce the purposes of KRS 61.870 to 61.884, it shall not be necessary to have forwarded any request for the documents to the Attorney General pursuant to KRS 61.880, or for the Attorney General to have acted in any manner upon a request for his opinion~~].

(3) In ***an appeal of an Attorney General's decision, where the appeal is properly filed pursuant to subsection (5)(a) of Section 6 of this Act, the court shall determine the matter de novo. All other appeals shall be prohibited. In an original action or an appeal of an Attorney General's decision, where the appeal is properly filed pursuant to subsection (5)(a) of Section 6 of this Act, the burden of proof shall be on the public agency*** [~~any such action, the court shall determine the matter de novo and the burden of proof shall be on the public agency to sustain its action~~]. The court on its own motion, or on motion of either of the parties, may view the records in controversy in camera before reaching a decision. Any noncompliance with the order of the court may be punished as contempt of court.

(4) [~~Courts shall take into consideration the basic policy of KRS 61.870 to 61.884 that free and open examination of public records is in the public interest and the exceptions provided for by KRS 61.870 to 61.884 or otherwise provided for by law shall be strictly construed, even though such examination may cause inconvenience or embarrassment to public officials or others.~~] Except as otherwise provided by law or rule of court, proceedings arising under this section take ***precedence*** [~~precedent~~] on the docket over all other causes and shall be assigned for hearing and trial at the earliest practicable date.

(5) Any person who prevails against ***any*** [~~an~~] agency in any action in the courts ***regarding a violation of KRS 61.870 to 61.884*** [~~seeking the right to inspect and copy any public record~~] may, upon a finding that the records were wilfully withheld in violation of KRS 61.870 to 61.884, be awarded [~~all~~] costs, including reasonable ***attorney's*** [~~attorney~~] fees, incurred in connection with ***the*** [~~such~~] legal action. [~~If such person prevails in part, the court may in its discretion award him costs or an appropriate portion thereof.~~] In addition, it shall be within the discretion of the court to award ***the*** [~~such~~] person an amount not to exceed twenty-five dollars ($25) for each day that he was denied the right to inspect or copy said public record. ***Attorney's fees,*** [~~The~~] costs***, and awards under this subsection*** [~~or award~~] shall be paid by ***the*** [~~such person or~~] agency ***that*** [~~as~~] the court ***determines*** [~~shall determine~~] is responsible for the violation.

Section 8. KRS 61.992 is amended to read as follows:

A person who violates any provision of KRS ***61.874(6) or (7)*** [~~61.960 to 61.975~~] shall be liable to the public agency from which the ***public records were*** [~~database or the geographic information system was~~] obtained for damages in the amount of:

(1) Three (3) times the amount that would have been charged for the ***public record*** [~~database or the geographic information system~~] if the actual commercial purpose for which it was obtained or used had been stated;

(2) Costs and reasonable attorneys' fees; and

(3) Any other penalty established by law.

Section 9. The following KRS sections are repealed:

61.960 Definitions for KRS 61.965 to 61.975 and 61.992.

61.965 Application of KRS 61.965 to 61.975.

61.970 Use of database or geographic information system.

61.975 Public records available for inspection — Fees for copying or contracts for electronic use.

HB 625, AN ACT relating to retirement.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 78.530 is amended to read as follows:

(1) Each county and school board, as defined in KRS 78.510, will participate in the system by appropriate order authorizing such participation which has been entered and duly recorded in the records of the governing body of the county or school board. In cases where general purpose county government does not participate, but the sheriff and his employees or the county clerk and his employees do, the sheriff or the clerk shall retain the order in his office. The authority to issue and properly record such order of participation being hereby granted, permits such county to participate in the system. The effective date of such participation shall be fixed in the order.

(2) Once a county or school board participates, it shall thereafter continue to participate, except as provided in KRS 78.535.

(3) (a) Concurrent with the adoption of the appropriate resolution to participate in the system, a county may elect the alternate participation plan which will require the county to purchase on behalf of each employee electing coverage, at the time the county elected to participate in the system as provided under KRS 78.540(2), current service credit for employment in regular full-time positions between July 1, 1958, and the participation date of the county. Cities which participate in the system pursuant to subsection (7) of this section, KRS 79.080, 90.400, 90.410, 95.520, 95.621, 95.761, 95.768, 95.852, or 96.180 shall be required to purchase on behalf of each employee electing coverage only as much service credit as the employee has accumulated in the city-administered plan, up to the participation date of the city. Accumulated service shall include service for which an employee received a refund pursuant to KRS 95.620 or 95.866, if such refund has been repaid. If the employee has not yet repaid the refund, he may make payment to the system by any method acceptable to the system, and the requirement of five (5) years of continuous reemployment prior to repayment of refunds shall not apply. Upon the employee's repayment, the city shall purchase the associated service credit for the employee. Cost of such service credit over and above that which would be funded within the existing employer contribution rate shall be determined by the board's consulting actuary. The expense of such actuarial service shall be paid by the county;

(b) The county shall establish a payment schedule subject to approval by the board for payment of the cost of such service over and above that which would be funded within the existing employer contribution rate. The maximum period allowed in a payment schedule shall be thirty (30) years, with interest at the rate actuarially assumed by the board. A shorter period is desirable and the board may approve any payment schedule provided it is not longer than a thirty (30) year period, except that cities which participate in the system pursuant to subsection (7) of this section, KRS 79.080, 90.400, 90.410, 95.520, 95.621, 95.761, 95.768, 95.852, or 96.180 may, at their option, extend the payment schedule to a maximum of thirty (30) years, may choose to make level payments at the interest rate actuarially assumed by the board over the life of the payment schedule chosen, and may retain employer contributions and the earnings thereon attributable to employees electing coverage;

(c) A city entering the system under the alternate participation plan, may, by ordinance, levy a special property tax to pay for current service credit purchased for the period between July 1, 1958, and the participation date of the city. The special tax shall be to pay, within a period of no more than fifteen (15) years, for the cost of such service credit over that which would be funded within the existing employer contribution rate, as determined by the board's consulting actuary. The reason for levying the special tax and the disposition of the proceeds shall be part of the ordinance levying the tax. The special tax shall be rescinded when the unfunded prior service liability has been amortized, and shall not be subject to the provisions of KRS 132.017 or 132.027. In addition, the city may maintain any tax, the proceeds of which had been devoted to funding pension obligations under the locally administered plan prior to participation in the system, for the purpose of funding current service costs incurred after the date of participation. The city may increase the tax to pay current service costs which exceed the local pension system costs to which the tax had been devoted, but the city shall not collect from the tax more revenues than are necessary to pay current service costs incurred after the date of participation. The city may continue the tax so long as it participates in the system, and the tax shall not be subject to the provisions of KRS 132.017 or 132.027. The city shall not collect either tax authorized by this paragraph if its participation has been terminated pursuant to KRS 78.535;

(d) The county may at a later date purchase current service credit from July 1, 1958, to the participation date of the county by alternate participation plan for those employees who rejected membership in the system at the time the county first participated. In addition, the employer shall pay the employer contributions on the creditable compensation of the employees who later elect membership from the participation date of the county to the date the member elects participation. The employee shall pay the employee contributions on his creditable compensation from the participation date of the county to the date he elects membership plus interest at the current actuarial rate compounded annually on the employee and employer contributions. Cost of the service credit over and above that which would be funded within the existing employer contribution rate shall be determined by the board's consulting actuary. The expense of the actuarial service shall be paid by the county. The county shall pay the cost of the service by lump sum or by adding it to the existing payment schedule established under paragraph (b) of this subsection;

(e) A county which did not participate by alternate participation may, until July 1, 1991, purchase current service credit for those employees who rejected membership in the system at the time the county first participated. The employer shall pay the employer contributions on the creditable compensation of the employees who later elect membership from the participation date of the county to the date the member elects participation. The employee shall pay the employee contributions on his creditable compensation from the participation date of the county to the date he elects membership plus interest at the current actuarial rate compounded annually on the employee and employer contributions. The county shall pay the cost of the service credit by lump sum or by establishing a payment schedule under paragraph (b) of this subsection; and

(f) A county which participated in the system but did not elect the alternate participation plan may at a later date elect the alternate participation plan. In this case, the county shall purchase on behalf of each employee participating in the system current service credit for employment in regular full-time positions between July 1, 1958, or a later date selected by the county government, and the participation date of the county. The county shall also purchase, for employees who decide to participate when the county elects the alternate participation plan, current service credit for employment in regular full-time positions between July 1, 1958, or the later date selected by the county government, and the participation date of the county. In addition, the county shall pay the employer contributions on the creditable compensation of the employees who later elect membership from the participation date of the county to the date the member elects participation. The employee shall pay the employee contributions on his creditable compensation from the participation date of the county to the date he elects membership plus interest at the current actuarial rate compounded annually on the employee and employer contributions. Cost of the service credit over that which would be funded within the existing employer contribution rate shall be determined by the board's consulting actuary. The expense of the actuarial service shall be paid by the county. The county shall pay the cost of the service by lump sum or by a payment schedule established under paragraph (b) of this subsection.

(4) Every school board not participating on June 21, 1974, shall enact a resolution of participation no later than July 1, 1976.

(5) The order of the governing body of a county, as provided for in subsection (1) of this section, may exclude from participation in the system hospitals and any other semiindependent agency. Each such excluded agency shall be identified in the order authorizing participation and such excluded agency may participate in the system as a separate agency.

(6) An agency whose participation in the County Employees Retirement System has been terminated by the board of trustees in accordance with KRS 78.535 may at a later date request participation in the retirement system by the adoption of an appropriate order as authorized by subsection (1) of this section. The board may accept the participation of such agency provided it is determined that such participation is in the best interest of the agency, the employees thereof and the County Employees Retirement System.

(7) After August 1, 1988, except as permitted by KRS 65.156, no local government retirement system shall be created pursuant to KRS 70.580 to 70.598 and any local government retirement systems created pursuant to KRS 79.080, 90.400, 90.410, 95.768, and KRS Chapter 96 shall be closed to new members. New employees who would have been granted membership in such retirement systems shall instead be granted membership in the County Employees Retirement System. Employees who would have been granted membership in retirement systems created pursuant to KRS 95.768, or any other policemen or firefighters who would have been granted membership in retirement systems created pursuant to KRS 79.080, 90.400, or 90.410, or any such policemen or firefighter members employed on or prior to August 1, 1988, who transfer to the County Employees Retirement System, shall be certified by their employers as working in hazardous positions. Each city participating in the County Employees Retirement System pursuant to this subsection shall execute the appropriate order authorizing such participation, shall select the alternate participation plan as described in subsection (3) of this section, and shall pay for the actuarial services necessary to determine the additional costs of alternate participation. Cities which closed their local pension systems to new members and participated in the system prior to July 15, 1988, whose employees at the time of transition were given the option to join the system shall not be required to offer said employees a second option to join the system.

(8) Any city which closed a police and firefighter pension plan to new members between January 1, 1988, and July 15, 1988, and participated in the system under the alternate participation plan shall[~~, if its police and firefighters were not covered by Social Security, or any city which operates a pension under KRS~~

~~90.400 or 90.410, shall~~] be required to certify that its police and firefighters are working in hazardous positions, and shall offer its police and firefighters in service at the time of entry a second option to participate under hazardous duty coverage if they were not offered hazardous duty coverage at the time of their first option. The provisions of subsection (3)(b) of this section notwithstanding, a city affected by this subsection may, at its option, extend its payment schedule to the County Employees Retirement System for alternate participation to thirty (30) years at the rate actuarially assumed by the board.

Section 2. KRS 95.520 is amended to read as follows:

(1) There shall be in cities of the third class a policemen's and firefighters' pension fund, and a board of trustees for that fund unless the policemen and firefighters are included in the membership of the County Employees Retirement System.

(2) The board of trustees is the trustee of the pension fund, and has exclusive control and management of the pension fund and of all moneys donated or paid for the relief or pensioning of members of the police and fire departments. It may do all things necessary to protect the fund.

(3) (a) After August 1, 1988, no new locally administered pension fund shall be created pursuant to this section, and cities which were covered by this section on or prior to August 1, 1988, shall participate in the County Employees Retirement System effective August 1, 1988;

(b) Cities which were covered by this section on or prior to August 1, 1988, shall provide for the retirement of police or firefighters rehired after August 1, 1988, by placing such employees in the County Employees Retirement System;

(c) Cities which were covered by this section on or prior to August 1, 1988, shall place police or firefighters newly hired after August 1, 1988, in the County Employees Retirement System;

(d) Cities which were covered by this section on or prior to August 1, 1988, shall offer employees hired on or prior to August 1, 1988, membership in the County Employees Retirement System under the alternate participation plan as described in KRS 78.530(3), but such employees may elect to retain coverage under this section;

(e) The city shall certify that all police and firefighters placed in the County Employees Retirement System[~~, and not covered by Social Security for their employment with the city,~~] are employed in hazardous positions[~~. If the police and firefighters are covered by Social Security for their employment with the city, the city may certify that they are employed in hazardous positions~~]; and

(f) If the city's participation in the County Employees Retirement System is terminated pursuant to KRS 78.535, the city shall provide retirement benefits pursuant to KRS 95.520 to 95.620 to any of its police and firefighters who have not retained membership in the County Employees Retirement System pursuant to KRS 78.535(4).

Section 3. KRS 95.621 is amended to read as follows:

(1) A city of the third class may adopt an ordinance creating a pension fund for firefighters and policemen pursuant to KRS 95.621 to 95.629 as an alternative to the fund established in KRS 95.520 to 95.620. In the event a third-class city does elect to adopt KRS 95.621 to 95.629 all the provisions herein are mandatory. The provisions of KRS 95.620 shall apply to any city of the third class which has adopted KRS 95.621 to 95.629.

(2) Any member of the police or fire department serving at the time of passage of the ordinance and not desiring to participate in the fund and its benefits may be excluded by notifying the board of trustees of the pension fund in writing of his desire not to participate within ten (10) days after the effective date of this ordinance.

(3) (a) After August 1, 1988, no new pension fund shall be created pursuant to this section, and cities which were covered by this section on or prior to August 1, 1988, shall participate in the County Employees Retirement System effective August 1, 1988;

(b) Cities which were covered by this section on or prior to August 1, 1988, shall provide for the retirement of police or firefighters rehired after August 1, 1988, by placing such employees in the County Employees Retirement System;

(c) Cities which were covered by this section on or prior to August 1, 1988, shall place police or firefighters newly hired after August 1, 1988, in the County Employees Retirement System;

(d) Cities which were covered by this section on or prior to August 1, 1988, shall offer employees hired on or prior to August 1, 1988, membership in the County Employees Retirement System under the alternate participation plan as described in KRS 78.530(3), but such employees may elect to retain coverage under this section;

(e) The city shall certify that all police and firefighters placed in the County Employees Retirement System[~~, and not covered by Social Security for their employment with the city,~~] are employed in hazardous positions[~~. If the police and firefighters are covered by Social Security for their employment with the city, the city may certify that they are employed in hazardous positions~~]; and

(f) If the city's participation in the County Employees Retirement System is terminated pursuant to KRS 78.535, the city shall provide retirement benefits pursuant to KRS 95.621 to 95.629 to any of its police and firefighters who have not retained membership in the County Employees Retirement System pursuant to KRS 78.535(4).

Section 4. Whereas, cities were required to enter CERS in 1988, and a number of cities did not enter in the hazardous duty category and would be required to do so by this Act, and it is necessary that all police and firefighter service credit be in the hazardous duty coverage and not split between two types of coverage, the effect of this Act shall be retroactive to July 15, 1988.

HB 650, AN ACT relating to establishing an Indian reservation with the ability to operate a housing authority.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. KRS CHAPTER 4 IS ESTABLISHED AND A NEW SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

(1) The land owned, or subsequently acquired and dedicated to reservation purposes by the governing body of the tribes, by the Delilah Whitecloud United Cherokee Indian Tribe of Kentucky in Daviess County as of the effective date of this Act is hereby declared to be an Indian reservation.

(2) This section does not constitute a surrender of authority of the Commonwealth nor of its political subdivisions, and all laws of the Commonwealth, administrative regulations, local ordinances, and other types of authority shall be exercised upon the land designated as an Indian reservation.

(3) The tribe shall determine who may live on reservation land, but any person lawfully residing on a reservation on the effective date of this Act may continue to reside on the reservation.

(4) The tribe may lease reservation land for not more than twenty-five (25) years.

(5) Notwithstanding any provision of the statutes to the contrary, any Indian reservation property that escheats to the Commonwealth shall be preserved as an Indian historical area, under the control of the Department of Parks.

(6) (a) There is created, with respect to the Indian tribe named in subsection (1) of this section, a public body corporate and politic, to be known as the housing authority of that Indian tribe, possessing all powers except eminent domain, rights, and functions specified for municipal authorities, but the Indian housing authority shall not transact any business nor exercise its powers hereunder until the governing council of the tribe, by proper resolution, declares that there is a need for an authority to function for the tribe. Except as otherwise provided in subsections (6)(a) to (d), all the provisions of law applicable to housing authorities created for municipalities and the commissioners of those authorities shall be applicable to Indian housing authorities and the commissioners thereof, unless a different meaning clearly appears from the context. The chief or other governing head and governing council of an Indian tribe are hereby authorized to exercise all appointing and other powers with respect to an Indian housing authority that are vested in the chief executive officer and governing body of a municipality. The Indian housing authorities shall be operated in conformity with Title II of the Federal Civil Rights Act of 1968, 25 U.S.C. Sec. 1301 et. seq.

(b) The chief or other governing head shall appoint five (5) commissioners who shall be members of the tribe for which the authority is created. Holding of any tribal office shall not bar appointment of any tribal member to a tribal housing authority. No person shall be barred from serving as a commissioner because he is a tenant or home buyer in a tribal housing project.

(c) The area of operation of a tribal housing authority shall be within the territorial boundaries of the reservation set aside for the tribe as specified in subsection (1) of this section.

(d) Notwithstanding the provisions of subsection (b) of this section any real property located on an Indian reservation, as defined in subsection (1) of this section, required by a tribal authority for use in its area of operation in providing housing shall be leased to the housing authority by the respective tribal governing body with the approval of the secretary of the Natural Resources and Environmental Protection Cabinet, upon lawful terms agreeable to the parties.

HB 865, AN ACT relating to retirement and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 78.510 is amended to read as follows:

As used in KRS 78.520 to 78.852, unless the context otherwise requires:

(1) "System" means the County Employees Retirement System;

(2) "Board" means the board of trustees of the system as provided in KRS 78.780;

(3) "County" means ***the Administrative Office of the Courts in the case of Circuit Court clerks, and*** any county, or nonprofit organization created and governed by a county, counties, or elected county officers, or sheriff and his employees or county clerk and his employees or political subdivision or instrumentality, including school boards, charter county government, or urban-county government participating in the system by order appropriate to its governmental structure, as provided in KRS 78.530, and if the board is willing to accept the agency, organization, or corporation, the board being hereby granted the authority to determine the eligibility of the agency to participate;

(4) "School board" means any board of education participating in the system by order appropriate to its governmental structure, as provided in KRS 78.530, and if the board is willing to accept the agency or corporation, the board being hereby granted the authority to determine the eligibility of the agency to participate;

(5) "Examiner" means the medical examiners as provided in KRS 61.665;

(6) "Employee" means every ***Circuit Court clerk, every*** regular full-time appointed or elective officer or employee of a participating county and the coroner of a participating county, whether or not he qualifies as a regular full-time officer. The term shall not, except in the case of volunteer firefighters serving a fire district created pursuant to KRS 75.010, include persons engaged as independent contractors, seasonal, emergency, temporary, and part-time workers. In case of any doubt, the board shall determine if a person is an employee within the meaning of KRS 78.520 to 78.852;

(7) "Employer" means ***the Administrative Office of the Courts in the case of Circuit Court clerks, and*** a county, as defined in subsection (3) of this section, the electorate of a county, or any authority of the county having the power to appoint or elect an employee to office or employment in the county;

(8) "Member" means any employee who is included in the membership of the system or any former employee whose membership has not been terminated under KRS 61.535;

(9) "Service" means the total of current service and prior service as defined herein;

(10) "Current service" means the number of years and months of employment as an employee, on and after July 1, 1958, for which creditable compensation is paid and employee contributions deducted, except as otherwise provided in KRS 61.552(7), 61.555 and 78.530;

(11) "Prior service" means the number of years and completed months, expressed as a fraction of a year, of employment as an employee, prior to July 1, 1958, for which creditable compensation was paid. An employee shall be credited with one (1) month of prior service only in those months he received compensation for at least one hundred (100) hours of work. Twelve (12) months of current service in the system shall be required to validate prior service;

(12) "Accumulated contributions" means the sum of all amounts deducted from the compensation of a member and credited to his individual account in the members' contribution account, including employee contributions picked up after August 1, 1982, pursuant to KRS 78.610(4), together with interest credited on the amounts, and any other amounts the member shall have contributed thereto, including interest credited thereon;

(13) "Creditable compensation" means all salary, wages and fees paid to the employee as a result of

services performed for the employer, including employee contributions picked up after August 1, 1982, pursuant to KRS 78.610(4). If compensation includes maintenance and other perquisites, the board shall fix the value of that part of the compensation not paid in money. If firefighters employed by a district created pursuant to KRS 75.010 are paid less than five thousand dollars ($5,000) per year for firefighting services, creditable compensation shall mean an assumed salary of at least five thousand dollars ($5,000) per year, or a higher figure set annually by the district board of trustees. Creditable compensation shall also include amounts that are not includable in the member's gross income by virtue of the member having taken a voluntary salary reduction provided for under applicable provisions of the Internal Revenue Code;

(14) "Final compensation" of a member means the creditable compensation of the member during the five (5) fiscal years he was paid at the highest average monthly rate divided by the number of months of service credit during that five (5) year period multiplied by twelve (12). The five (5) years may be fractional and need not be consecutive. If the number of months of service credit during the five (5) year period is less than forty-eight (48), one (1) or more additional fiscal years shall be used;

(15) "Final rate of pay" means the actual rate upon which earnings of an employee were calculated during the twelve (12) months' period immediately preceding the member's effective retirement date, and shall include employee contributions picked up after August 1, 1982, pursuant to KRS 78.610(4). The rate shall be certified to the board by the employer and the following equivalents shall be used to convert said rate to an annual rate: nineteen hundred fifty (1950) hours, two hundred sixty (260) days, fifty-two (52) weeks, twelve (12) months, one (1) year;

(16) "Retirement allowance" means the retirement payments to which a member is entitled;

(17) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of the actuarial tables as are from time to time adopted by the board, except in case of disability retirement, the options authorized by KRS 61.635 shall be computed by adding ten (10) years to the age of the member. No disability retirement option shall be less than the same option computed under early retirement;

(18) "Normal retirement date" means the sixty-fifth (65th) birthday of a member unless otherwise provided in KRS 78.520 to 78.852;

(19) "Fiscal year" of the system means the twelve (12) months from July 1 through the following June 30;

(20) "Agency reporting official" means the person designated by the participating agency to file reports with the County Employees Retirement System;

(21) "Regular full-time positions," as used in subsection (6) of this section, shall mean all positions that average one hundred (100) or more hours per month, unless otherwise specified, except:

(a) Seasonal positions, which although temporary in duration, are positions which coincide in duration with a particular season or seasons of the year and that may recur regularly from year to year, in which case the period of time shall not exceed six (6) months in any event;

(b) Emergency positions that are positions that do not exceed thirty (30) working days and are nonrenewable;

(c) Temporary positions that are positions of employment with a participating agency for a period of time not to exceed twelve (12) months in any event and not renewable; or

(d) Part-time positions that are positions that may be permanent in duration, but that require less than an annual or fiscal year average of one hundred (100) hours of work per month in the performance of duty, except in case of school bus drivers, teacher aides, cafeteria employees, secretaries, and custodial personnel for school boards, in which event the school term average shall be eighty (80) hours of work per month in the performance of duty, and except in the case of volunteer firefighters employed by a district created pursuant to KRS 75.010 who shall satisfy work requirements set by the district board of trustees;

(22) "Alternate participation plan" means a new method of participation in the system as provided for by KRS 78.530(3);

(23) "Retired member" means any former member receiving a retirement allowance or any former member who has filed the necessary documents for retirement benefits and is no longer contributing to the system;

(24) "Current rate of pay" means the member's actual hourly, daily, weekly, biweekly, monthly, or yearly rate of pay converted to an annual rate as defined in final rate of pay. The rate shall be certified by the employer;

(25) "Beneficiary" means the person or persons or estate or trust or trustee designated by the member in accordance with KRS 61.542 or 61.705 to receive any benefits in the event of the member's death. As used in KRS 61.702, beneficiary shall not mean an estate, trust, or trustee; and

(26) "Recipient" means the retired member or the person or persons designated as beneficiary by the member and drawing a retirement allowance as a result of the member's death or a dependent child drawing a retirement allowance.

Section 2. KRS 78.540 is amended to read as follows:

Membership in the system shall consist of the following:

(1) ***All Circuit Court clerks and*** all persons who become employees of a participating county after the date such county first participates in the system, except a person who did not elect membership pursuant to KRS 61.545(3), and except that mayors and members of city legislative bodies may decline to participate in the system and city managers or other appointed local government executives who participate in a retirement system, other than Social Security, which operates in more than one (1) state, may decline to participate in the system;

(2) All persons who are employees of a county on the date the county first participates in the system, either in service or on authorized leave from service, and who elect within thirty (30) days next following such county's participation, or in the case of persons on authorized leave, within thirty (30) days of their return to active service, to become members and thereby agree to make contributions as provided in KRS 78.520 to 78.852; and

(3) All persons electing coverage in the system under KRS 78.530(3)(d).

(4) The provisions of subsections (1) and (2) of this section notwithstanding, cities which participate in the CERS and close existing local pension systems to new, or all members pursuant to the provisions of KRS 78.530, 95.520, 95.621 or 95.852 shall not be required to provide membership in the County Employees Retirement System to employees in any employee category not covered by a city pension system at the date of participation.

(5) Membership in the system shall not include those employees who are simultaneously contributing to another public retirement fund within Kentucky other than those administered by the Kentucky Retirement Systems.

Section 3. Effective July 1, 1992, the active membership of each Circuit Court clerk in the Kentucky Employees' Retirement System shall terminate and each Circuit Court clerk shall be an active member of the County Employees' Retirement System. Any credit which a Circuit Court clerk has or which he subsequently regains while being an active member of the County Employees' Retirement System in the Kentucky Employees' Retirement System, earned for service as a Circuit Court clerk, shall be transferred to and counted as service credit in the County Employees' Retirement System, and shall no longer constitute credit in the Kentucky Employees' Retirement System. Any credit the Circuit Court clerk then has in the Kentucky Employees' Retirement System, earned for service in any capacity other than as a Circuit Court clerk, shall not be affected. When credit is transferred from the Kentucky Employees' Retirement System to the County Employees' Retirement System, the Kentucky Employees' Retirement System shall transfer to the County Employees' Retirement Fund an amount equal to the employee's and employer's contributions attributable to that credit, together with interest on the contributions from the date made to the date of transfer at the actuarially-assumed interest rate of the Kentucky Employees' Retirement System in effect at the time the contributions were made, compounded annually at that same interest rate.

Section 4. Whereas, the funds of the Kentucky Employees' Retirement System and the County Employees' Retirement System are managed on a fiscal year basis, an emergency is declared to exist, and this Act shall become effective on July 1, 1992.

HCR 129, A CONCURRENT RESOLUTION directing the Program Review and Investigations Committee to conduct a study on the feasibility of centralizing the state's legal services in the Office of the Attorney General.

WHEREAS, state officials constantly make decisions that carry important legal consequences; and

WHEREAS, reliable legal advice reduces the risk of cost of litigation and enhances the probability of success when the state must appear in court; and

WHEREAS, legal advice and representation provided to the state must be accurate, consistent, reliable, and affordable; and

WHEREAS, Kentucky has adopted no coherent plan for the provision of legal services; and

WHEREAS, Kentucky's legal representation and advice is provided by numerous state agencies and private contractors, with no overall supervision or coordination; and

WHEREAS, the fragmentation of legal services works to the disadvantage of the agencies themselves and of state government overall by causing duplication of efforts, unnecessary personal service contracts, needless litigation, inconsistent advice, adverse judgments, and deterioration in the quality of representation; and

WHEREAS, other states have successfully implemented the consolidation of legal services in the Office of the Attorney General, thereby increasing the quality and lowering the cost of legal representation;.

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The Program Review and Investigations Committee is directed to study the feasibility of centralizing the state's legal services in the Office of the Attorney General.

Section 2. The study shall include, but not be limited to, the following:

(1) The number and cost of personal service contracts for the provision of legal services, and the ability of assistant attorneys general to perform the services procured by such contracts;

(2) The nature of legal services required by the state, including any specialized expertise;

(3) The cost of attorneys employed on a full-time basis by agencies of the executive branch of state government, including the cost of salaries, training, and libraries;

(4) A comparison of the salaries and duties of attorneys employed by the various agencies of the executive branch of state government;

(5) The feasibility of assigning to the Attorney General all litigation functions currently handled by agency attorneys;

(6) The cost savings to be realized by combining legal services employees in one central location;

(7) The experience of other states in centralizing legal services;

(8) Any other considerations that are relevant to the study.

Section 3. The Program Review and Investigations Committee shall provide its findings to the Legislative Research Commission by no later than July 1, 1993.

Section 4. Staff services to be utilized in completing this study are estimated to cost $20,000. These staff services shall be provided for from the regular Commission budget and are subject to the limitations and other research responsibilities of the Commission.

The Committee on Tourism Development and Energy reported **HB 679**, **HB 817**, with Committee Substitute attached thereto, **HB 844**, with Copmmittee Title Amendment attached thereto, and **HCR 154** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 679, AN ACT relating to logo signs.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 and 2 of this Act, unless the contest requires otherwise:

(1) "Fully controlled access highways" means highways, limited to interstate and state parkways, that shall give preference to through traffic, shall have access only at selected public roads or streets, shall have no highway grade crossing or intersection and shall further conform with the Federal Highway Administration's (FHWA's) adopted standards as contained in Federal Highway Program Manual (FHPM) 6-8-3-8 and to administrative regulations promulgated pursuant to KRS Chapter 13A;

(2) "Logo signs" means signs that consist of a business identification symbol, name, brand, trademark, or combination thereof that may be attached to specific service signs, pursuant to the Manual on Uniform Traffic Control Devices (MUTCD) and administrative regulations promulgated pursuant to KRS Chapter 13A; and

(3) "Specific service signs" means official signs, erected on the rights-of-ways of fully controlled access highways, that shall include, but not be limited to, the display of the words "Gas", "Food", "Lodging", or "Camping" or combinations thereof and shall have space for one (1) or more logo signs that may be attached to the official signs. The erection and maintenance of the official signs shall conform with the Manual on Uniform Traffic Control Devices (MUTCD) and administrative regulations promulgated pursuant to KRS Chapter 13A.

SECTION 2. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

The commissioner of the Department of Highways shall promulgate administrative regulations, pursuant to KRS Chapter 13A, to provide for the erection of specific service signs on fully controlled access highways. The administrative regulations shall restrict the use of specific service signs to fully controlled access highways, shall conform to the Manual on Uniform Traffic Control Devices (MUTCD), and shall include, but not be limited to, criteria for the following:

(1) Distances to eligible businesses;

(2) Selection of eligible businesses;

(3) Acceptance of logo signs that conform to the MUTCD;

(4) Removing or covering logo signs during off seasons for eligible businesses operated on a seasonal basis;

(5) Defining the circumstances in which specific service signs are erected; and

(6) Determining the costs to eligible businesses for initial installation, annual maintenance, and removal of logo signs.

Section 3. KRS 177.860 is amended to read as follows:

The commissioner of ***the Department of*** Highways shall prescribe by regulations reasonable standards for the advertising devices hereinafter enumerated, designed to protect the safety of and to guide the users of the highways and otherwise to achieve the objectives set forth in KRS 177.850, and the erection and maintenance of any of the following advertising devices, if they comply with ***the*** [~~such~~] regulations, shall not be deemed a violation of KRS 177.830 to 177.890:

(1) An advertising device which is to be erected or maintained on property for the purpose of setting forth or indicating:

(a) The name and address of the owner, lessee, or occupant of ***the*** [~~such~~] property; or

(b) The name or type of business or profession conducted on ***the*** [~~such~~] property; or

(c) Information required or authorized by law to be posted or displayed ***on the advertising device*** [~~thereon~~].

(2) An advertising device which is not visible from any traveled portion of the highway;

(3) An advertising device indicating the sale or leasing of the property upon which it is placed;

(4) Advertising devices which otherwise comply with the applicable zoning ordinances and regulations of any county or city, and which are to be located in a commercially or industrially developed area, in which the commissioner of highways determines, in exercise of his sound discretion, that the location of ***the*** [~~such~~] advertising devices is compatible with the safety and convenience of the traveling public;

[~~(5) Advertising devices within highway rights-of-way to provide directional information for business establishments offering goods and services in the interest of the traveling public.~~]

Section 4. The following KRS section is repealed:

177.865 Regulations governing advertisement of goods and services.

HB 817, AN ACT relating to oil and gas operations on real estate where there has been a complete severance of the ownership of the oil and gas from the ownership of the surface.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 353.595 is amended to read as follows:

(1) As used in this section:

(a) "Person" means any natural person, corporation, firm, partnership, venture, receiver, trustee, executor, administrator, guardian, fiduciary, or other representative of any kind, and includes any government or any political subdivision or agency thereof.

(b) "Drilling operations" means the drilling, deepening, or conversion of a well for oil or gas production, core hole for oil or gas purposes, or drill hole for a stratigraphic test for oil or gas purposes.

(c) "Entry" means the moving upon the surface of land with equipment to commence drilling operations, but shall not include entry for the survey for or ascertaining or identification of a well location.

(d) "Operator" means the person, whether the owner or not, who applies for or holds a permit for drilling operations or who is named as the principal on a bond for a permit for a well that was issued by the department.

(e) "Surface owner" means the person in whose name the surface of the land on which drilling operations are contemplated, and who is assessed for purposes of taxes imposed according to the records of the property valuation administrator of the county where the land is located as certified by the property valuation administrator.

(f) "Production operation" means the operation of a well for the production of oil or gas, including all acts, structures, equipment, and roadways necessary for the operation.

(g) "New well" means a well that is spudded after July 13, 1990, and does not utilize any part of a well bore or drilling location that existed prior to July 13, 1990.

(h) "Completion of the well" means completion of those processes necessary before production occurs, including the laying of flow lines and the construction of the tank battery. If the well is not productive, the date of completion of the well shall be the day it is plugged and abandoned.

(2) This section shall be applicable only for the drilling operations of new wells except as provided in subsection (7) of this section. This section shall not apply for reworking operations on a well. This section shall be applicable only when the surface owner has not consented in writing to the drilling operations and:

(a) There has been a complete severance of the ownership of the oil and gas from the ownership of the surface; or

(b) The surface owner owns an interest in the oil and gas.

(3) (a) Prior to commencement of the drilling of a well, the operator shall give written notice to the surface owner of the operator's intent to commence drilling operations.

(b) The operator shall, for the purpose of giving notice, secure from the property valuation administrator's office within ninety (90) days prior to the giving of the notice, a certification which shall identify the person in whose name the lands on which drilling operations are to be commenced and who is assessed at the time the certification is made. The written certification made by the property valuation administrator of the surface owner shall be conclusive evidence of the surface ownership.

(c) The notice required to be given by the operator to the surface owner shall identify the following:

1. The location of the proposed entry on the surface for drilling operations and the date on or after which drilling operations shall commence.

2. A photocopy of the drilling application to the department for the well to be drilled.

3. The name, address, and telephone number of the operator.

4. An offer to discuss with the surface owner those matters set forth in subsection (4) of this section prior to commencement of drilling operations.

(d) If the surface owner elects to meet the operator, the surface owner shall request the operator to schedule a meeting at a mutually agreed time and place within the limitations set forth herein. Failure of the surface owner to contact the operator at least five (5) days prior to the proposed commencement of drilling operations shall be conclusively deemed a waiver of the right to meet by the surface owner. The meeting shall be scheduled between the hours of nine o'clock in the morning and the setting of the sun of the same day and shall be at least three (3) days prior to commencement of drilling operations. Unless agreed to otherwise, the place shall be located within the county in which drilling operations are to be commenced where the operator or his agent shall be available to discuss with the surface owner or his agent those matters set forth in subsection (4) of this section.

(e) The notice shall be given to the surface owner by either:

1. Certified mail addressed to the surface owner at the address shown in the certification obtained from the property valuation administrator, which shall be postmarked at least ten (10) days prior to the commencement of drilling operations; or

2. Personal delivery to the surface owner at least eight (8) days prior to the commencement of drilling operations.

(f) Notice to the surface owner as defined in this section shall be deemed conclusive notice to the record owners of all interest in the surface.

(4) The operator, or his agent shall, if the surface owner accepts the offer to discuss, be available at the time agreed, date, and place to discuss with the surface owner the following:

(a) Placement of roads to be constructed by the operator;

(b) Points of entry upon the surface for drilling operations;

(c) Construction and placement of pits used for drilling operations;

(d) Restoration of fences to be cut in order to make entry upon the surface for drilling operations;

(e) Use of water on the surface of the lands;

(f) Removal of trees; and

(g) Surface water drainage changes caused by drilling operations.

(5) The surface owner shall be entitled to reasonable compensation from the operator for damages to growing crops, trees, shrubs, fences, roads, structures, improvements, and livestock thereon caused by the drilling of a new well. The surface owner shall be entitled to reasonable compensation from the operator for subsequent damages to growing crops, trees, shrubs, fences, roads, structures, improvements, and livestock caused by subsequent production operations of the operator thereon. The surface owner shall be entitled to reasonable compensation for all negligent acts of the operator that cause measurable damage to the productive capacity of the soil. In addition, the operator shall not utilize any more of the surface estate than is reasonably necessary for the exploration, production, and development of the mineral estate.

(6) ***The failure to agree upon reasonable compensation shall not prevent the operator from commencement of drilling operations, if the operator deposits to the credit of the surface owner in the office of circuit clerk in the county in which the well is located, a sum which the operator deems reasonable compensation. The surface owner may withdraw the deposit pending final disposition of the matter. The remedy of the surface owner shall be an action in the Circuit Court, for reasonable compensation, to be***

filed within ninety (90) days after the money is deposited by the operator with the circuit clerk. If no action is filed within that time, the sum of money deposited shall be deemed to be reasonable compensation. If reasonable compensation, as determined by the Circuit Court, exceeds the sum deposited with the circuit clerk, there shall be added to the compensation due the surface owner, a penalty of twenty percent (20%) of the difference between the amount deposited with the circuit clerk and the amount of the judgment. If the amount deposited with the circuit clerk is determined by the Circuit Court to be unreasonable, the surface owner shall be entitled to reasonable attorney's fees; but if the operator relied upon a third party appraiser's assessment of damages, there shall be no award of attorney's fees. If the award is less than the amount deposited with the circuit clerk, the surface owner shall repay the difference to the operator [~~The compensation required pursuant to subsection (5) of this section shall be paid in any manner mutually agreed upon by the operator and the surface owner, but the failure to agree upon, or make the compensation required, shall not prevent the operator from commencement of drilling operations. The operator shall tender to the surface owner payment by check or draft in accordance with the provisions of this section no later than ninety (90) days after completion of the well. The surface owner's remedy shall be an action for compensation in the Circuit Court in which the lands, or the greater part thereof, are located on which drilling operations were conducted. If the operator fails to tender payment within the ninety (90) day period or if the tender is not reasonable, the surface owner shall be entitled to reasonable compensation as provided in this section, as well as attorney's fees. If the operator relies on a third party appraiser's assessment of damages there shall be no award of attorney's fees~~].

(7) In conjunction with the plugging and abandonment of any well or the reworking of any well, the operator shall restore the surface and any improvements thereon to a condition as near as practicable to their condition prior to commencement of the work. The surface owner and operator may waive this requirement in writing, subject to the approval of the department that the waiver is in accordance with its administrative regulations.

(8) ***(a) Before road construction may commence on real property in which the ownership of the mineral and the surface estates have been severed, the owner of the surface estate and the operator, or his agent, shall agree on the location of a road if one is needed for the operation, but upon their failure to agree, the operator may apply to the department for authorization to construct the road. The department, by administrative regulation, may establish an application fee for each application not to exceed one hundred dollars ($100), and shall establish a notification to owners procedure. The department shall, within ten (10) days after application by the operator, locate or approve the location of the road taking into consideration:***

1. The use of the surface so that the road shall not unreasonably interfere with the use of the surface; and

2. The difference in cost of construction of a road at proposed locations.

(b) The surface owner shall be entitled to reasonable compensation from the operator for the diminution in value to the surface estate where the road is constructed. The surface owner shall have the right to use any road constructed by the operator, but shall not damage, obstruct, alter or otherwise inhibit the use of the road.

(9) Nothing in this section shall be construed to diminish the rights of the operator or surface owner as they exist by established common law. Any compensation paid and accepted pursuant to the provisions of subsections (5) and (6) of this section, shall be a complete bar to the assertion of any other remedy for ***the*** [~~such~~] damages.

The Committee Substitute to **HB 817** is as follows:

HB 817, AN ACT relating to oil and gas operations on real estate where there has been a complete severance of the ownership of the oil and gas from the ownership of the surface.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 353.595 is amended to read as follows:

(1) As used in this section:

(a) "Person" means any natural person, corporation, firm, partnership, venture, receiver, trustee, executor, administrator, guardian, fiduciary, or other representative of any kind, and includes any government or any political subdivision or agency thereof.

(b) "Drilling operations" means the drilling, deepening, or conversion of a well for oil or gas production, core hole for oil or gas purposes, or drill hole for a stratigraphic test for oil or gas purposes.

(c) "Entry" means the moving upon the surface of land with equipment to commence drilling operations, but shall not include entry for the survey for or ascertaining or identification of a well location.

(d) "Operator" means the person, whether the owner or not, who applies for or holds a permit for drilling operations or who is named as the principal on a bond for a permit for a well that was issued by the department.

(e) "Surface owner" means the person in whose name the surface of the land on which drilling operations are contemplated, and who is assessed for purposes of taxes imposed according to the records of the property valuation administrator of the county where the land is located as certified by the property valuation administrator.

(f) "Production operation" means the operation of a well for the production of oil or gas, including all acts, structures, equipment, and roadways necessary for the operation.

(g) "New well" means a well that is spudded after July 13, 1990, and does not utilize any part of a well bore or drilling location that existed prior to July 13, 1990.

(h) "Completion of the well" means completion of those processes necessary before production occurs, including the laying of flow lines and the construction of the tank battery. If the well is not productive, the date of completion of the well shall be the day it is plugged and abandoned.

(2) This section shall be applicable only for the drilling operations of new wells except as provided in subsection (7) of this section. This section shall not apply for reworking operations on a well. This section shall be applicable only when the surface owner has not consented in writing to the drilling operations and:

(a) There has been a complete severance of the ownership of the oil and gas from the ownership of the surface; or

(b) The surface owner owns an interest in the oil and gas.

(3) (a) Prior to commencement of the drilling of a well, the operator shall give written notice to the surface owner of the operator's intent to commence drilling operations.

(b) The operator shall, for the purpose of giving notice, secure from the property valuation administrator's office within ninety (90) days prior to the giving of the notice, a certification which shall identify the person in whose name the lands on which drilling operations are to be commenced and who is assessed at the time the certification is made. The written certification made by the property valuation administrator of the surface owner shall be conclusive evidence of the surface ownership.

(c) The notice required to be given by the operator to the surface owner shall identify the following:

1. The location of the proposed entry on the surface for drilling operations and the date on or after which drilling operations shall commence.

2. A photocopy of the drilling application to the department for the well to be drilled.

3. The name, address, and telephone number of the operator.

4. An offer to discuss with the surface owner those matters set forth in subsection (4) of this section prior to commencement of drilling operations.

(d) If the surface owner elects to meet the operator, the surface owner shall request the operator to schedule a meeting at a mutually agreed time and place within the limitations set forth herein. Failure of the surface owner to contact the operator at least five (5) days prior to the proposed commencement of drilling operations shall be conclusively deemed a waiver of the right to meet by the surface owner. The meeting shall be scheduled between the hours of nine o'clock in the morning and the setting of the sun of the same day and shall be at least three (3) days prior to commencement of drilling operations. Unless agreed to otherwise, the place shall be located within the county in which drilling operations are to be commenced where the operator or his agent shall be available to discuss with the surface owner or his agent those matters set forth in subsection (4) of this section.

(e) The notice shall be given to the surface owner by either:

1. Certified mail addressed to the surface owner at the address shown in the certification obtained from the property valuation administrator, which shall be postmarked at least ten (10) days prior to the commencement

of drilling operations; or

2. Personal delivery to the surface owner at least eight (8) days prior to the commencement of drilling operations.

(f) Notice to the surface owner as defined in this section shall be deemed conclusive notice to the record owners of all interest in the surface.

(4) The operator, or his agent shall, if the surface owner accepts the offer to discuss, be available at the time agreed, date, and place to discuss with the surface owner the following:

(a) Placement of roads to be constructed by the operator;

(b) Points of entry upon the surface for drilling operations;

(c) Construction and placement of pits used for drilling operations;

(d) Restoration of fences to be cut in order to make entry upon the surface for drilling operations;

(e) Use of water on the surface of the lands;

(f) Removal of trees; and

(g) Surface water drainage changes caused by drilling operations.

(5) The surface owner shall be entitled to reasonable compensation from the operator for damages to growing crops, trees, shrubs, fences, roads, structures, improvements, and livestock thereon caused by the drilling of a new well. The surface owner shall be entitled to reasonable compensation from the operator for subsequent damages to growing crops, trees, shrubs, fences, roads, structures, improvements, and livestock caused by subsequent production operations of the operator thereon. The surface owner shall be entitled to reasonable compensation for all negligent acts of the operator that cause measurable damage to the productive capacity of the soil. In addition, the operator shall not utilize any more of the surface estate than is reasonably necessary for the exploration, production, and development of the mineral estate.

(6) ***The failure to agree upon reasonable compensation shall not prevent the operator from commencement of drilling operations, if the operator deposits to the credit of the surface owner in the office of circuit clerk in the county in which the well is located, a sum which the operator deems reasonable compensation. The surface owner may withdraw the deposit pending final disposition of the matter. The remedy of the surface owner shall be an action in the Circuit Court, for reasonable compensation, to be filed within ninety (90) days after the money is deposited by the operator with the circuit clerk. If no action is filed within that time, the sum of money deposited shall be deemed to be reasonable compensation. If reasonable compensation, as determined by the Circuit Court, exceeds the sum deposited with the circuit clerk, there shall be added to the compensation due the surface owner, a penalty of twenty percent (20%) of the difference between the amount deposited with the circuit clerk and the amount of the judgment. If the amount deposited with the circuit clerk is determined by the Circuit Court to be unreasonable, the surface owner shall be entitled to reasonable attorney's fees; but if the operator relied upon a third party appraiser's assessment of damages, there shall be no award of attorney's fees. If the award is less than the amount deposited with the circuit clerk, the surface owner shall repay the difference to the operator*** [~~The compensation required pursuant to subsection (5) of this section shall be paid in any manner mutually agreed upon by the operator and the surface owner, but the failure to agree upon, or make the compensation required, shall not prevent the operator from commencement of drilling operations. The operator shall tender to the surface owner payment by check or draft in accordance with the provisions of this section no later than ninety (90) days after completion of the well. The surface owner's remedy shall be an action for compensation in the Circuit Court in which the lands, or the greater part thereof, are located on which drilling operations were conducted. If the operator fails to tender payment within the ninety (90) day period or if the tender is not reasonable, the surface owner shall be entitled to reasonable compensation as provided in this section, as well as attorney's fees. If the operator relies on a third party appraiser's assessment of damages there shall be no award of attorney's fees~~].

(7) In conjunction with the plugging and abandonment of any well or the reworking of any well, the operator shall restore the surface and any improvements thereon to a condition as near as practicable to their condition prior to commencement of the work. The surface owner and operator may waive this requirement in writing, subject to the approval of the department that the waiver is in accordance with its administrative regulations.

(8) ***(a) Before road construction may commence on real property in which the ownership of the mineral and the surface estates have been severed, the owner of the surface estate and the operator, or his agent, shall agree on the location of a road if one is needed for the operation, but upon their failure to agree, the operator may apply to the department for authorization to construct the road. The department, by administrative regulation, may establish an application fee for each application not to exceed two hundred dollars ($200), and shall establish a notification to owners procedure. The department shall, within ten (10) days after application by the operator, locate or approve the location of the road taking into consideration:***

1. The use of the surface so that the road shall not unreasonably interfere with the use of the surface; and

2. The difference in cost of construction of a road at proposed locations.

(b) The operator is responsible for the design and construction of the road, including any road approved or located by the department.

(c) The surface owner shall be entitled to reasonable compensation from the operator for the diminution in value to the surface estate where the road is constructed. The surface owner shall have the right to use any road constructed by the operator, but shall not damage, obstruct, alter or otherwise inhibit the use of the road.

(9) Nothing in this section shall be construed to diminish the rights of the operator or surface owner as they exist by established common law. Any compensation paid and accepted pursuant to the provisions of subsections (5) and (6) of this section, shall be a complete bar to the assertion of any other remedy for ***the*** [~~such~~] damages.

HB 844, AN ACT relating to oil and gas.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

Prior to the issuance of a permit, if the operation will disturb any roads used as access to an oil or gas well or other oil and gas facility, the permit applicant shall certify that he has met and conferred with, or offered to meet and confer with, the well operator as to the disturbance.

SECTION 2. A NEW SECTION OF KRS CHAPTER 353 IS CREATED TO READ AS FOLLOWS:

Prior to the issuance of a permit to drill an oil or gas well on land which is permitted or bonded under the provisions of KRS Chapter 350, the applicant shall certify that he has met and conferred with, or offered to meet and confer with, the permittee as to any activity that will disturb the permitted area.

Section 3. KRS 352.510 is amended to read as follows:

(1) In any underground mine before removing any coal or other material or driving any entry or passageway within five hundred (500) feet of any natural gas or petroleum well, or before extending the workings in any mine beneath any tract of land on which such wells are also drilled, or within five hundred (500) feet of any such well or under any tract of land in visible possession of a well operator, the operator shall forward simultaneously to the well operator and to the Department of Mines and Minerals, by certified mail, return receipt requested or by registered mail, a copy of the maps and plans required by law to be filed and kept up to date, showing on the copy of the map or plan its mine workings and projected mine workings beneath the tract of land and within five hundred (500) feet of its outer boundaries. The operator may then proceed with his mining operations in the manner indicated on the copy of the map or plan*.*[~~,~~] but if the conduct of his mining operations nearer than five hundred (500) feet to any [~~such~~] well, whether completed or being drilled, or to any proposed well where a derrick is being constructed for drilling, or proposed well will endanger the use of drilling of the well, the well owner or operator affected may within ***fifteen (15)*** [~~five~~] days from the receipt of the copy of the map by him and the department, file specific objections in writing to the mining operations within less than five hundred (500) feet of the well*.*[~~;~~] and if the objection is [~~so~~] filed, the department shall notify the operator of the character of the objections and fix a time and place for a hearing not more than ten (10) days from the end of ***the fifteen-day*** [~~said five-day~~] period. At the hearing the operator and the well operator, ***in person or by a representative*** [~~or such of them as are present or represented~~], shall [~~proceed to~~] consider the objections and agree upon the character and extent of operations to be conducted within less than five hundred (500) feet of the well [~~so as~~] to satisfy the objections raised and meet the approval of the department. And, if no agreement can be reached, the department, after a full hearing, shall make a decision defining what coal or clay, if any, is necessary to be left for the safe protection of the use and

operation of the well. The decision shall be subject to appeal by either party as provided in KRS 351.040. The department shall keep a complete record of all ***the*** [~~such~~] hearings.

(2) The mine operator shall, every six (6) months, while mining within five hundred (500) feet of the well, bring up to date the maps and plans required by this section, or file new maps and plans complete to date.

Section 4. KRS 353.050 is amended to read as follows:

(1) Before ***a permit may be issued to drill*** [~~drilling~~] a well on any tract known to be underlaid with coal-bearing strata the well operator shall have a plat prepared showing the exact location of the proposed well ***utilizing latitudes and longitudes and the Carter coordinate system*** [~~and shall forward a copy by certified mail, return receipt requested or by registered mail to the department and at the same time forward copies to the record owner of the coal-bearing strata, unless they are under operation, in which case he shall send a copy to each coal operator operating beds of coal beneath the tract~~].

(2) If the location of any well proposed to be drilled, deepened, or reopened is known to be underlaid by a coal-bearing stratum, which is not in operation, owned by a person other than the oil and gas lessor or lessee then, simultaneously with the filing of an application for a permit, the applicant shall send by registered or certified mail a copy of the required plat to the record coal owner or owners, and record coal lessee.

(3) If the coal-bearing stratum is under operation, a copy of the required plat shall also be sent by the applicant by registered or certified mail to each coal operator operating any stratum as designated on the current license issued by the department and at the address stated thereon.

(4) If the address of any record owner is unknown to the applicant and cannot upon diligent inquiry within the county be ascertained, or if there are more than five (5) record owners then, if the applicant shall file with the department an affidavit that either condition exists, the department may prescribe some different method of notifying the record owner in lieu of sending a copy of the plat as required by this section, or may dispense with the requirements of this section.

(5) The plat shall be filed and become a permanent record, subject to inspection at any time by any interested person. Any agent of the coal operator or any superintendent in actual charge of the mine may be considered as a coal operator, and any process agent or other agent or person in charge of the coal for him may be considered the owner, for the purposes of mailing the required copy of the plat.

Section 5. KRS 353.060 is amended to read as follows:

If the drilling of a well on any tract underlaid with coal-bearing strata will endanger the present or future use or operation of a workable coal bed, the owner or coal operator affected may, within ***fifteen (15)*** [~~five (5)~~] days from the receipt of the plat by him and by the department, file with the department specific objections in writing to ***the*** [~~such~~] proposed location, and, if the objections are so filed, the department shall notify the well operator of the character of the objections and shall fix a time and place for a hearing, not more than ten (10) days after the end of the ***fifteen-day*** [~~five-day~~] period, at which hearing the objections shall be considered. At the hearing the well operator and the coal operator or owner, ***in person or by a representative*** [~~or such of them as are present or represented~~], shall consider the objections and either agree upon the location as proposed or change it so as to satisfy all objections and meet the approval of the department. Any new location thus selected and agreed upon shall be indicated on a plat in accordance with KRS 353.050 and thereupon the department shall issue to the well operator a drilling permit approving the new location and authorizing the well operator to drill at the location. If the coal operator and well operator, or the owner and well operator, are unable to agree, the department shall, in view of the purposes and intent of this chapter and in compliance therewith, fix a location on the tract as near the proposed location as possible and shall issue to the well operator a permit to drill at the new location. If no objections are filed within the ***fifteen-day*** [~~five-day~~] period, the department shall immediately issue to the well operator a drilling permit approving the location and authorizing the well operator to proceed to drill there.

Section 6. KRS 353.170 is amended to read as follows:

The owner or operator of any well that produces oil or gas may allow the well to remain open for the purpose of introducing air, gas, water, or other liquid pressure into and upon the producing strata for the purpose of recovering the oil, ***if the introduction of air, gas, water, or other liquid conforms to the requirements of Section 1425 of the Safe Drinking Water Act (Public Law 93-523 as amended) and any regulations associated with it.*** [~~The introduction of such pressure shall be through casing or tubing, which shall be so anchored and packed that no other oil-bearing sand or producing stratum above or below the producing strata upon which pressure is put shall be affected thereby.~~]

Section 7. KRS 353.180 is amended to read as follows:

(1) No person shall abandon or remove casings from any oil or gas well, either dry or producing, [~~not drilled through any coal-bearing strata,~~] without first plugging ***the well*** [~~it~~] in a secure manner ***approved by the department and consistent with its administrative regulations*** [~~by placing above the oil-producing sand a plug of pine, poplar or some other material that will prevent the well from becoming flooded, and filling in above for the distance of seven (7) feet with sediment or clay and placing upon it another plug of the same material, and also placing about ten (10) feet below the casing a similar plug, seven (7) feet of sediment or clay, and then another plug, all plugs to be securely driven in so that no water can pass them~~].

(2) If a person fails to comply with subsection (1), any person lawfully in possession of land adjacent to [~~or in the neighborhood of~~] the well ***or the department*** may enter on the land upon which the well is located and plug the well in the manner provided in subsection (1), and may maintain a civil action against the owner or person abandoning the well, jointly or severally, to recover the cost of plugging the well. This subsection shall not apply to persons owning the land on which the well is situated, and drilled by other persons.

Section 8. KRS 353.200 is amended to read as follows:

(1) The department shall exercise supervision over the drilling, casing, plugging, and filling of all wells. ***The department shall exercise supervision over all mining operations in close proximity to any well. The department shall have access to the records and properties of coal and oil and gas operators when necessary*** [~~drilled through workable coal beds and all mining operations in close proximity to any well, and for this purpose shall have access to the records and properties of coal and oil operators whenever necessary~~].

(2) The department may receive, or may file on its own motion, formal complaints [~~charging~~] that drilling or mining operations are being conducted contrary to the provisions of KRS 353.010, 353.050 to 353.130, [~~or~~] 352.510, ***or 353.592,*** or to the order of the department, and shall hold formal hearings on ***the*** [~~such~~] complaints. Immediately following the hearing, the department shall make its findings of fact and enter ***the*** [~~such~~] order [~~as in its judgment is~~] necessary to secure the proper administration of KRS 353.010, 353.050 to 353.130, [~~or~~] 352.510***, or 353.592.***

Section 9. The following KRS section is repealed:

353.600 Copy of plat to be sent to owner or operator of coal-bearing stratum underlying well.

The Committee Title Amendment to **HB 844** is as follows:

Amend printed copy of **HB 844** by amending the title to read as follows: "AN ACT relating to oil and gas drilling in areas containing coal bearing strata."

HCR 154, A CONCURRENT RESOLUTION relating to a uniform school opening date.

WHEREAS, the Kentucky economy greatly relies on the economic success of the Kentucky Parks System; and

WHEREAS, a uniform school opening date could better facilitate the coordination between school districts of programs such as regional service centers, consortias, and participation in vocational education programs; and

WHEREAS, a family's finances may depend on the summer job opportunities afforded its children; and

WHEREAS, a local school district's average daily attendance is adversely affected by the absence of students; and

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Program Review and Investigations Committee is directed to conduct a comprehensive study on the effects of a uniform school opening date in Kentucky, and the impact this change would have on Kentucky's educational system, the tourism industry, and the economy.

Section 2. That the Program Review and Investigations Committee shall report its findings and recommendations to the Interim Joint Committee on Education and the Legislative Research Commission no later than July 1, 1993.

Section 3. That staff services to be utilized in completing this study are estimated to cost $15,000. These staff services shall be provided from the regular Commission budget and are subject to limitations and other research responsibilities of the Commission.

The Committee on Education reported **HB 260**, **HB 266**, **HB 284**, with Committee Amendment attached thereto, **HB 370**, with Committee Substitute attached thereto, **HB 522**, **HB 596**, **HB 677**, **HB 750**, **HB 808**, with Committee Amendment attached thereto, **HB 848** and **HB 871** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 260, AN ACT relating to leave of absence for a teacher or superintendent.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 161.770 is amended to read as follows:

(1) Upon written request of a teacher or superintendent, a board of education may grant a leave of absence for a period of not more than two (2) consecutive school years [~~for educational or professional purposes~~], and shall grant ***the*** [~~such~~] leave where illness, maternity, adoption of a child or children, or other disability is the reason for the request. Upon subsequent request, ***the*** [~~such~~] leave may be renewed by the board. A board of education may pay a sum of money equivalent to all or any portion of salary to a teacher or superintendent who has been granted leave for educational or professional purposes if the person taking ***the*** [~~said~~] leave agrees in writing to return to employment with the board for no less than two (2) years.

(2) Without request, a board of education may grant leave of absence and renewals [~~thereof~~] to any teacher or superintendent because of physical or mental disability, but ***the*** [~~such~~] teacher or superintendent shall have the right to a hearing and appeal on ***the*** [~~such~~] unrequested leave of absence or its renewal in accordance with the provisions for hearing and appeal in KRS 161.790.

(3) Upon the return to service of a teacher or superintendent at the expiration of a leave of absence, he shall resume the contract status which he held prior to ***the*** [~~such~~] leave.

(4) Payments to any teacher or superintendent under this section by a local district are intended and ***shall be*** presumed to be for and in consideration of services rendered and for the benefit of the common schools; and ***the*** [~~such~~] payments ***shall*** [~~do~~] not affect the eligibility of any school district to share in the distribution of funds from the public school funds as established in KRS Chapter 157.

HB 266, AN ACT relating to school employment contracts.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 161.780 is amended to read as follows:

(1) No teacher or superintendent shall be permitted to terminate his contract within thirty (30) days prior to the beginning of his school term without the consent of the board. A teacher or superintendent shall be permitted to terminate his contract at any other time when schools are not in session by giving two (2) weeks' written notice to the employing board of education. Upon complaint by the employing board to the ***Education Professional Standards Board*** [~~chief state school officer~~] and after investigation by ***the board*** [~~him~~], the certificate of a teacher or superintendent terminating his contract in any manner other than provided in this section may be suspended for not more than one (1) year.

(2) If a teacher voluntarily resigns his contract during the school term, the resignation shall be in writing and shall become binding on the date the resignation is accepted by the superintendent. No further action by the employing board is necessary. The resignation is effective on the date specified in the letter of resignation. A resignation, once accepted, may be withdrawn only with the approval of the employing board of education. Nothing in this subsection shall release the teacher from liability to the local board of education for breach of contract.

HB 284, AN ACT relating to the Education Professional Standards Board.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 161.028 is amended to read as follows:

(1) Beginning July 15, 1990, there shall be an Education Professional Standards Board, with the authority and responsibility to:

(a) Establish standards and requirements for obtaining and maintaining a teaching certificate;

(b) Set standards for, approve, and evaluate college, university, and school district programs for the preparation of teachers and other professional school personnel;

(c) Issue, renew, suspend, and revoke teaching certificates;

(d) Maintain data and submit reports to the Governor and the Legislative Research Commission concerning employment trends and performance of certificated personnel and the quality of professional preparation programs[~~. The board shall study the problem of the declining pool of minority teachers in the Commonwealth and submit recommendations for increasing the number of minority teachers to the 1992 Regular Session of the General Assembly~~];

(e) Reduce and streamline the credential system to allow greater flexibility in staffing local schools while maintaining standards for teacher competence; and

(f) Develop a professional code of ethics.

(2) (a) The board shall be composed of fifteen (15) members. The chief state school officer and the executive director of the Council on Higher Education shall serve as ex officio voting members. The Governor shall make the following thirteen (13) appointments:

1. Eight (8) members who shall be teachers representative of elementary, middle or junior high, secondary, special education, and secondary vocational classrooms;

2. Two (2) members who shall be school administrators, one of whom shall be a school principal;

3. One (1) member representative of local boards of education; and

4. Two (2) members representative of deans of colleges of education.

(b) For the initial appointments, the Governor shall designate four (4) members to serve a term of four (4) years; three (3) members to serve a term of three (3) years; three (3) members to serve a term of two (2) years; three (3) members to serve a term of one (1) year.

(c) A vacancy on the board shall be filled in the same manner as the original appointment within sixty (60) days after it occurs. A member shall continue to serve until his successor is named. Any member who, through change of employment status or residence, or for other reasons, no longer meets the criteria for the position to which he was appointed shall no longer be eligible to serve in that position.

(d) Members of the board shall serve without compensation, but shall be permitted to attend board meetings and perform other board business without loss of income or other benefits.

(e) ***The respective school districts of the eight (8) members appointed to the Education Professional Standards Board in accordance with subsection (2)(a)1. shall be reimbursed by the board for the employment of an appropriately qualified substitute teacher to work directly with the teacher member and to conduct class when the teacher member is absent due to board business*** [~~A state agency or any political subdivision of the state, including a school district, required to hire a substitute for a member of the board who is absent from his employment while performing board business shall be reimbursed by the board for the actual amount of any costs incurred~~].

(f) At the first meeting held after July 1 of each year, a chairman shall be elected by and from the membership. A member shall be eligible to serve no more than three (3) one (1) year terms in succession as chairman. The executive secretary appointed by the chief state school officer from the Department of Education staff shall keep records of proceedings. Regular meetings shall be held at least semiannually on call of the chairman. The Department of Education shall provide staff and support for the board.

[~~(g) To carry out the functions relating to its duties and responsibilities, the board is empowered to receive donations and grants of funds; to appoint consultants as needed; and to sponsor studies, conduct conferences, and publish information.~~]

(3) *(a)* The Education Professional Standards Board shall be the successor to the State Board for Elementary and Secondary Education for purposes of performing the duties authorized in KRS 161.027, 161.028, 161.030, 161.042, 161.044, 161.046, 161.048, 161.049, 161.100, 161.115, 161.120, 161.124, and 161.126. Rules, administrative regulations and procedures relating to these duties shall not lapse and shall continue in effect until repealed or amended by the Education Professional Standards Board.

(b) The Education Professional Standards Board shall be a public body corporate and politic, and an agency and instrumentality of the Commonwealth. The board shall have the power and authority to:

1. Receive gifts, donations, appropriations, and grants of funds and to apportion and disburse these;

2. Appoint consultants as needed;

3. Sponsor studies, conduct conferences, and publish information; and

4. Expend funds for errors and omissions insurance to cover the defense of, and any damages and costs awarded in, any civil action brought against individual board members in their official or individual capacities, on account of an act made in the scope and course of their legal duties as board members.

(c) Nothing in this subsection shall be construed as a waiver of the sovereign immunity of the Commonwealth with respect to claims against the Education Professional Standards Board or its officers, agents, or employees.

The Committee Amendment No. 1 to **HB 284** is as follows:

Amend printed copy of **HB 284** on page 1, line 17, remove the bracket and strikethroughs from ". The Board";

On page 1, line 17, after the word "board" add the following: "***, the State Board of Elementary and Secondary Education, and the Council on Higher Education***";

On page 1, line 17, remove the strikethroughs from "shall";

On page 1, line 17, place an open bracket "[" in front of "study";

On page 1, line 17, after "shall" insert the following: "***develop a strategic plan to increase the number of minority educators in Kentucky public schools***".

HB 370, AN ACT relating to braille instruction.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 157 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 4 of this Act:

(1) "Braille" means the system of reading and writing through touch commonly known as Standard English Braille;

(2) "Individualized education program (IEP)" means a written statement developed for an exceptional student eligible for special education services in accordance with administrative regulations promulgated pursuant to KRS 157.200 to 157.290;

(3) "Blind student" means a student between the ages of three (3) and twenty-one (21) for whom an individualized education program is required and who:

(a) Has a visual acuity of 20/200 or less in the better eye with correcting lenses or has a limited field of vision such that the widest diameter subtends an angular distance of no greater than twenty degrees; or

(b) Has a medically indicated expectation of visual deterioration which would bring the student within the provisions of subsection (3)(a) of this section; or

(c) Is functionally blind.

SECTION 2. A NEW SECTION OF KRS CHAPTER 157 IS CREATED TO READ AS FOLLOWS:

(1) The written individualized education program for each exceptional student, as promulgated by administrative regulation, shall also include the following assessment for blind students:

(a) A braille skills inventory, including an assessment of the student's strengths and weaknesses;

(b) A statement as to whether the use of braille shall be that student's primary mode of communication;

(c) The date on which braille instruction shall begin;

(d) The length of the period of instruction, and the frequency and duration of each instructional session; and

(e) The level of competency in braille reading and writing to be achieved, and the assessment measures to be used in determining if that level has been achieved.

(2) Braille instruction and use shall not be required by this section if, during the course of developing the blind student's individualized educational program, the members of the Administrative Admission and Release Committee as established for this purpose, pursuant to administrative regulations, concur that the student is unable to learn to read and write braille. Upon reaching this determination the committee shall write into the individualized education program of a blind student, for whom braille instruction or use shall not be required, the factors and evidence considered by the committee in reaching its decision.

(3) Nothing in this section shall require the exclusive use of instruction in braille if other methods of reading and writing may also be learned by the student.

SECTION 3. A NEW SECTION OF KRS CHAPTER 161 IS CREATED TO READ AS FOLLOWS:

Teachers seeking to be certified in the education of blind and visually impaired students shall be required, prior to certification, to demonstrate competence in reading and writing braille, and in the use of appropriate instructional methods for teaching braille by use of the braille writer, the slate and stylus, and through the use of computer devices commonly used in the elementary and secondary instruction of blind students. Upon certification, teachers of the blind and visually impaired shall periodically be required to demonstrate that they have maintained their competence in the reading, writing and instruction of braille. The Education Professional Standards Board shall promulgate administrative regulations to assess such competency which shall be consistent with the standards adopted by the National Library Services for the Blind and Physically Handicapped.

Section 4. KRS 156.476 is amended to read as follows:

(1) The State Board for Elementary and Secondary Education, upon the recommendation of the chief state school officer, ***shall*** [~~may~~] select suitable textbooks, which include braille textbooks, and other materials printed in clear type of eighteen (18) to twenty-four (24) points in the different subject areas for children with impaired vision who are attending the public schools of the Commonwealth of Kentucky in grades kindergarten through twelve (12). ***These*** [~~Such~~] textbooks and materials shall not be subject to the official textbook bids, filing fees, textbook sampling, and the stipulated list prices, lowest wholesale prices, exchange prices, and the standards and specifications required for the textbooks approved and listed by the State Textbook Commission for regular use by the pupils attending the public schools of the State of Kentucky. The State Board for Elementary and Secondary Education, upon the recommendation of the chief state school officer, ***may*** [~~shall have the authority to~~] prescribe administrative regulations for determining the pupils eligible for ***the*** [~~such~~] books, the number of books to be purchased, and the general administration of the program. The chief state school officer, subject to the approval of the State Board for Elementary and Secondary Education, may purchase these books and distribute them without cost to the pupils with impaired vision attending the public schools of the state. All textbooks purchased under this section for the pupils with impaired vision are the property of the state.

(2) The Department of Education shall require any publisher of a textbook adopted for use in the public schools of the Commonwealth to furnish the American Printing House for the Blind with computer diskettes or tapes of those books either in the American Standard Code for Information Interchange, (ASCII), or in any other format which can be readily translated into braille by the American Printing House for the Blind.

The Committee Substitute to **HB 370** is as follows:

HB 370, AN ACT relating to braille instruction.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 157 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 4 of this Act:

(1) "Braille" means the system of reading and writing through touch commonly known as Standard English Braille;

(2) "Individualized education program (IEP)" means a written statement developed for an exceptional student eligible for special education services in accordance with administrative regulations promulgated pursuant to KRS 157.200 to 157.290;

(3) "Blind student" means a student between the ages of three (3) and twenty-one (21) for whom an individualized education program is required and who:

(a) Has a visual acuity of 20/200 or less in the better eye with correcting lenses or has a limited field of vision such that the widest diameter subtends an angular distance of no greater than twenty degrees; or

(b) Has a medically indicated expectation of visual deterioration which would bring the student within the provisions of subsection (3)(a) of this section; or

(c) Functions as if he is blind even though the student may not technically meet the visual acuity or medical standards set forth in this subsection.

SECTION 2. A NEW SECTION OF KRS CHAPTER 157 IS CREATED TO READ AS FOLLOWS:

(1) The purpose of this Act shall be to assure, to the maximum extent possible, that all blind students shall be instructed in the use of braille.

(2) The written individualized education program for each exceptional student, as promulgated by administrative regulation, shall also include the following assessment for blind students:

(a) A braille skills inventory, including an assessment of the student's strengths and weaknesses;

(b) A statement as to whether the use of braille shall be that student's primary mode of communication;

(c) The date on which braille instruction shall begin;

(d) The length of the period of instruction, and the frequency and duration of each instructional session; and

(e) The level of competency in braille reading and writing to be achieved, and the assessment measures to be used in determining if that level has been achieved.

(3) Braille instruction and use shall not be required by this section if, during the course of developing the blind student's individualized educational program, the members of the Administrative Admission and Release Committee as established for this purpose, pursuant to administrative regulations, concur that the student shall not be required to learn to read and write braille. In reaching its decision, the committee shall consider the student's reading readiness, functional reading skills, reading comprehension rate and stamina, functional writing skills, communication skills, eye condition and prognosis, and functional vision and tactile discrimination skills. Upon reaching this determination the committee shall write into the individualized education program of a blind student, the factors and evidence considered by the committee in reaching its decision.

(4) Nothing in this section shall require the exclusive use of instruction in braille if other methods of reading and writing may also be learned by the student.

SECTION 3. A NEW SECTION OF KRS CHAPTER 161 IS CREATED TO READ AS FOLLOWS:

Teachers seeking to be certified in the education of blind and visually impaired students shall be required, prior to certification, to demonstrate competence in reading and writing braille, and in the use of appropriate

instructional methods for teaching braille by use of the braille writer, the slate and stylus, and through the use of computer devices commonly used in the elementary and secondary instruction of blind students. Any teacher who teaches a blind student braille, or monitors a student's braille usage, shall demonstrate competence in braille. The Education Professional Standards Board shall promulgate administrative regulations to assess such competency which shall be consistent with the guidelines for braille instructors as adopted by the National Library Services for the Blind and Physically Handicapped.

Section 4. KRS 156.476 is amended to read as follows:

(1) The State Board for Elementary and Secondary Education, upon the recommendation of the chief state school officer, ***shall*** [~~may~~] select suitable textbooks, which include braille textbooks, and other materials printed in clear type of eighteen (18) to twenty-four (24) points in the different subject areas for children with impaired vision who are attending the public schools of the Commonwealth of Kentucky in grades kindergarten through twelve (12). ***These*** [~~Such~~] textbooks and materials shall not be subject to the official textbook bids, filing fees, textbook sampling, and the stipulated list prices, lowest wholesale prices, exchange prices, and the standards and specifications required for the textbooks approved and listed by the State Textbook Commission for regular use by the pupils attending the public schools of the State of Kentucky. The State Board for Elementary and Secondary Education, upon the recommendation of the chief state school officer, ***may*** [~~shall have the authority to~~] prescribe administrative regulations for determining the pupils eligible for ***the*** [~~such~~] books, the number of books to be purchased, and the general administration of the program. The chief state school officer, subject to the approval of the State Board for Elementary and Secondary Education, may purchase these books and distribute them without cost to the pupils with impaired vision attending the public schools of the state. All textbooks purchased under this section for the pupils with impaired vision are the property of the state.

(2) The Department of Education shall require any publisher of a textbook adopted for use in the public schools of the Commonwealth to furnish the American Printing House for the Blind with computer diskettes or tapes of those books either in the American Standard Code for Information Interchange, (ASCII), or in any other format which can be readily translated into braille by the American Printing House for the Blind.

HB 522, AN ACT relating to teacher compensation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 157.390 is amended to read as follows:

(1) (a) The chief state school officer, under administrative regulations of the State Board for Elementary and Secondary Education, shall classify teachers in rank as follows:

Rank I. Those holding regular certificates and who have a master's degree in a subject field approved by the State Board for Elementary and Secondary Education or equivalent preparation and who have earned thirty (30) semester hours of approved graduate work or its equivalent, and those teachers who, as of September 1, 1962, were included in Rank I, having earned twenty-four (24) semester hours of additional approved graduate work.

Rank II. Those holding regular certificates and who have a master's degree in a subject field approved by the State Board for Elementary and Secondary Education or equivalent preparation.

Rank III. Those holding regular certificates and who have an approved four-year college degree or the equivalent.

Rank IV. Those holding certificates and who have ninety-six (96) to one hundred twenty-eight (128) semester hours of approved college training or the equivalent.

Rank V. Those holding certificates and who have sixty-four (64) to ninety-five (95) semester hours of approved college training or the equivalent.

(b) In determining ranks, the chief state school officer, under administrative regulations of the State Board for Elementary and Secondary Education, shall classify teachers who hold valid certificates in the respective ranks according to approved college semester hours of credit. The chief state school officer, in defining preparation for certain types of vocational teachers as equivalent to college training, shall give consideration to apprenticeship training and industrial experience.

(c) Nothing in this subsection shall allow the State Board for Elementary and Secondary Education by regulation to reclassify downward any teachers currently in Ranks I or II.

(2) The chief state school officer, under administrative regulations of the State Board for Elementary and Secondary Education, shall classify teachers in each rank by their years of experience for purposes of the state teacher salary schedule as follows:

1. Zero (0) to three (3) years;
2. Four (4) to nine (9) years;
3. Ten (10) to fourteen (14) years;
4. Fifteen (15) to nineteen (19) years; and
5. Twenty (20) or more years.

(3) (a) The rank and experience of the teacher shall be determined on September 15.

(b) The amount to be included in each school year in the base funding level of a district for teachers' salaries shall be based on the categories of experience in subsection (2) of this section.

(4) The amount to be included in the base funding level for capital outlay shall be determined by multiplying the average daily attendance by the amounts set forth in the biennial budget.

(5) The amount to be included in the public school fund of each district for transportation shall be determined in accordance with the provisions of KRS 157.370.

(6) The total amount of money distributable to each district from the public school fund shall be the sum of the allotments in subsections (3), (4), and (5) of this section, less the amount of local tax revenues generated for school purposes, up to a maximum equivalent local rate of thirty cents ($0.30) as defined by KRS 157.615(5).

(7) The State Board for Elementary and Secondary Education shall create a Kentucky professional compensation plan. The plan shall be designed to compensate all teachers at adequate and competitive salary levels throughout their teaching careers. The plan shall establish progressive salary levels with advancement opportunities based upon the professional skills of the teacher and include education, rank, years of teaching service, related duties, specialized training, nonteaching experience, length of work year, performance, and any other professionally-recognized factors which the board considers relevant. The plan shall be developed during the ***1992-94*** [~~1990-92~~] biennium [~~and be implemented in fiscal year 1992-93~~]. ***Development work shall be conducted by Department of Education staff with support from recognized compensation experts, and staff from the Legislative Research Commission, the Office of Education Accountability, and the Governor's Office of Policy and Management. Upon approval by the State Board for Elementary and Secondary Education, the new plan, and its fiscal impact shall be submitted to the General Assembly.***

HB 596, AN ACT relating to the school term.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 158.070 is amended to read as follows:

(1) The minimum school term shall be one hundred eighty-five (185) days, including at least one hundred seventy-five (175) instructional days. A board of education may extend its term beyond the minimum term.

(2) Any local board of education operating its schools on a year-round school program basis shall conform with regulations promulgated and adopted by the State Board for Elementary and Secondary Education upon the recommendation of the chief state school officer, which regulations must be in conformity with the following criteria:

(a) The year-round school program shall be operated on a fiscal year beginning July 1 and ending June 30;

(b) A pupil's required attendance in school shall be for at least the minimum instructional term; and

(c) No teacher shall be required to teach more than the minimum term during the school year.

(3) Each local board of education shall use four (4) days of the minimum school term for professional development and planning activities for the professional staff without the presence of pupils pursuant to the requirements of KRS 156.095 and 158.720. The local board of each school district may use up to a maximum of four (4) days of the minimum school term for holidays, provided, however, any holiday which occurs on Saturday may be observed on the preceding Friday. Each local board may use two (2) days for planning activities without the presence of pupils. Each local board may use the number of days deemed necessary for:

(a) National or state disaster or mourning when proclaimed by the President of the United States or the Governor of the Commonwealth of Kentucky;

(b) Local disaster which would endanger the health or safety of children; and

(c) Mourning when so designated by the local board of education and approved by the State Board for Elementary and Secondary Education upon recommendation of the chief state school officer.

(4) The State Board for Elementary and Secondary Education, upon recommendation of the chief state school officer, shall adopt regulations governing the use of school days, including days missed from the regular school day as a result of local disaster, as defined in subsection (3)(b) of this section, and regulations setting forth the guidelines and procedures to be observed for the approval of the days utilized for the opening and closing of school and the days utilized for professional development and planning activities for the professional staff.

(5) In setting the school calendar, school shall be closed for two (2) consecutive days for the purpose of permitting professional school employees to attend statewide professional meetings. These two (2) days for statewide professional meetings shall be scheduled to begin with the first Thursday after Easter, or upon request of the statewide professional education association having the largest paid membership, the chief state school officer may designate alternate dates. The chief state school officer shall designate one (1) additional day during the school year when schools shall be closed to permit professional school employees to participate in regional or district professional meetings. These three (3) days so designated for attendance at professional meetings shall not be counted as a part of the minimum school term.

(6) Students applying for excused absence for attendance at the Kentucky State Fair shall be granted one (1) day of excused absence.

(7) Schools shall provide continuing education for those students who are determined to need additional time to achieve the outcomes defined in KRS 158.6451, and schools shall not be limited to the minimum school term in providing this education. Continuing education time may include extended days, extended weeks, or extended years. ***A local board of education may adopt a policy requiring its students to participate in continuing education. The local policy shall set out the conditions under which attendance will be required and any exceptions which are provided.*** The State Board for Elementary and Secondary Education shall promulgate administrative regulations establishing criteria for the allotment of grants to local school districts for the 1990-1991 and 1991-1992 school years for continuing education. These grants shall be allotted to school districts to provide instructional programs for pupils who are identified as needing additional time to achieve the outcomes defined in KRS 158.6451. The chief state school officer shall recommend to the Division of School Finance of the Office of Education Accountability by June 30, 1991, a method for funding continuing education for these students through the state-supported funding program.

(8) Notwithstanding any other statute, each school term shall include at least the minimum number of instructional days required by this section.

HB 677, AN ACT relating to school employees.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 160.380 is amended to read as follows:

(1) As used in this section:

(a) "Relative" shall mean father, mother, brother, sister, husband, wife, son, daughter, aunt, uncle, son-in-law, and daughter-in-law.

(b) "Vacancy" shall mean any certified position opening created by the resignation, dismissal, nonrenewal of contract, transfer, or death of a certified staff member of a local school district, or a new position created in a local school district for which certification is required. ***However, if an employer-employee bargained***

contract contains procedures for filling certified position openings created by the resignation, dismissal, nonrenewal of contract, transfer, or death of a certified staff member, or creation of a new position for which certification is required, a vacancy shall not exist, unless certified positions remain open after compliance with those procedures.

(2) (a) All appointments, promotions and transfers of principals, supervisors, teachers, and other public school employees shall be made only by the superintendent of schools, who shall notify the board of the action taken. All employees of the local district shall have the qualifications prescribed by law and by the administrative regulations of the State Board for Elementary and Secondary Education and of the employing board. Supervisors, principals, teachers, and other employees may be appointed by the superintendent for any school year at any time after February 1 preceding the beginning of the school year.

(b) When a vacancy occurs in a local school district, the superintendent shall notify the chief state school officer thirty (30) days before the position shall be filled. The chief state school officer shall keep a registry of local district vacancies which shall be made available to the public. The local school district shall post position openings in the local board office for public viewing.

(c) When a vacancy needs to be filled in less than thirty (30) days' time to prevent disruption of necessary instructional or support services of the school district, the superintendent may seek a waiver from the chief state school officer. If the waiver is approved, the appointment shall not be made until the person recommended for the position has been approved by the chief state school officer. The chief state school officer shall respond to a district's request for waiver or for approval of an appointment within two (2) working days.

(d) When a vacancy occurs in a local district, the superintendent shall conduct a search to locate minority teachers to be considered for the position.

(e) Effective July 1, 1991, no relative of a superintendent of schools shall be an employee of the school district. However, this shall not apply to a relative who is an employee of the school district prior to July 13, 1990, and who is certified for the position he holds, as long as the superintendent is holding office on July 1, 1991, and it shall not apply to a superintendent's spouse who has at least twenty (20) years of service in school systems. A superintendent's spouse who is employed under this provision shall not hold a position in which the spouse supervises certified or classified employees. A superintendent's spouse may supervise teacher aides and student teachers. However, the superintendent shall not promote his relative who continues employment under an exception of this subsection.

(f) No superintendent shall employ a relative of a school board member of the district, unless on July 13, 1990, the board member's relative is an employee of the district, the board member is holding office, and the relative was not initially hired by the district during the tenure of the board member. A relative employed in 1989-90 and initially hired during the tenure of a board member serving on July 13, 1990, may continue to be employed during the remainder of the board member's term. However, the superintendent shall not promote any relative of a school board member who continues employment under the exception of this subsection.

(g) No principal's relative shall be employed in the principal's school, except a relative who is not the principal's spouse and who was employed in the principal's school during the 1989-90 school year. No spouse of a principal shall be employed in the principal's school, except a principal's spouse who was employed in the principal's school during the 1989-90 school year for whom there is no position for which the spouse is certified to fill in another school operated in the district. The provisions of KRS 161.760 shall not apply to any transfer made in order to comply with the provisions of this paragraph.

(3) No superintendent shall employ in a position which involves supervisory or disciplinary power over a minor, any person who is a violent offender or has been convicted of a sex crime as defined by KRS 17.165 which is classified as a felony. The superintendent may employ, at his discretion, persons convicted of sex crimes classified as a misdemeanor. Each superintendent shall request all conviction information for any applicant for initial employment from the Justice Cabinet prior to employing the applicant.

(4) (a) If a school term has begun and a position remains unfilled or if a vacancy occurs during a school term, a superintendent may employ an individual, who will have supervisory or disciplinary authority over minors, on probationary status pending receipt of the required records. Application for the criminal record of a probationary employee shall be made no later than the date probationary employment begins.

(b) Employment shall be contingent on the receipt of records documenting that the probationary employee has no record of a sex crime nor as a violent offender as defined in KRS 17.165.

(c) Notwithstanding KRS 161.720 to 161.800 or any other statute to the contrary, probationary employment under this section shall terminate on receipt by the district of a record documenting a criminal act as defined above and no further procedures shall be required.

(5) Each application or renewal form, provided by the employer to the applicant, shall conspicuously state the following: "FOR THIS TYPE OF EMPLOYMENT, STATE LAW REQUIRES A CRIMINAL RECORD CHECK AS A CONDITION OF EMPLOYMENT."

(6) Any request for records under subsection (3) of this section shall be on a form approved by the Justice Cabinet, and the cabinet may charge a fee to be paid by the applicant in an amount no greater than the actual cost of processing the request.

(7) The provisions of this section shall apply to all applicants for initial employment in a position which involves supervisory or disciplinary power over a minor after July 15, 1988. Initial employment shall include first time applicants and applicants who were former employees of the district but have not been employed by the district for six (6) months.

HB 750, AN ACT relating to interscholastic athletics and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 156.070 is amended to read as follows:

(1) The State Board for Elementary and Secondary Education shall have the management and control of the common schools and all programs operated in ***these*** [~~such~~] schools, including interscholastic athletics, the Kentucky School for the Deaf, the Kentucky School for the Blind, and community education programs and services.

(2) The State Board for Elementary and Secondary Education may designate an organization or agency to manage interscholastic athletics in the common schools, provided that the rules, regulations, and bylaws of any organization or agency so designated shall be approved by the board, and provided further that the board shall adopt administrative regulations providing for the appeal to the board of any decisions made by the designated managing organization or agency. The state board or any agency designated by the state board to manage interscholastic athletics shall not promulgate rules, administrative regulations, or bylaws which prohibit pupils in grades seven (7) to eight (8) from participating in ***any*** high school sports ***except for high school varsity wrestling, soccer, and football,*** or from participating on more than one (1) school-sponsored team at the same time in the same sport. ***The State Board for Elementary and Secondary Education, or an agency designated by the board to manage interscholastic athletics, may promulgate administrative regulations restricting, limiting, or prohibiting participation in high school varsity wrestling, soccer, and football for students who have not successfully completed the eighth grade.***

(3) (a) The State Board for Elementary and Secondary Education is hereby authorized to lease from the State Property and Buildings Commission, or others, whether public or private, any lands, buildings, structures, installations, and facilities suitable for use in establishing and furthering television and related facilities as an aid or supplement to classroom instruction, throughout the Commonwealth, and for incidental use in any other proper public functions. The lease may be for any initial term commencing with the date of the lease and ending with the next ensuing June 30, which is the close of the then current fiscal biennium of the Commonwealth, with exclusive options in favor of the board to renew the same for successive ensuing bienniums, [~~(~~]July 1 in each even year to June 30 in the next ensuing even year[~~)~~]; and the rentals may be fixed at ***the*** [~~such~~] sums in each biennium, if renewed, [~~as will be~~] sufficient to enable the State Property and Buildings Commission to pay therefrom the maturing principal of and interest on, [~~(~~]and provide reserves for,[~~)~~] any revenue bonds which the State Property and Buildings Commission may determine to be necessary and sufficient, in agreement with the board, to provide the cost of acquiring the television and related facilities, with appurtenances, and costs as may be incident to the issuance of the bonds.

(b) Each option of the State Board for Elementary and Secondary Education to renew the lease for a succeeding biennial term may be exercised at any time after the adjournment of the session of the General Assembly at which appropriations shall have been made for the operation of the state government for such succeeding biennial term, by notifying the State Property and Buildings Commission in writing, signed by the chief state school officer, and delivered to the secretary of the Finance and Administration Cabinet as a member of the commission.[~~; provided, however, that~~] The option shall be deemed automatically exercised, and the lease automatically renewed for the succeeding biennium, effective on the first day thereof, unless a written notice of the board's election not to renew shall have been delivered in the office of the secretary of the Finance and Administration Cabinet before the close of business on the last working day in April immediately preceding the beginning of ***the*** [~~such~~] succeeding biennium.

(c) The State Board for Elementary and Secondary Education shall not itself operate leased television facilities, or undertake the preparation of the educational presentations or films to be transmitted thereby, but may enter into one (1) or more contracts to provide therefor, with any public agency and instrumentality of the Commonwealth having, or able to provide, a staff with proper technical qualifications, upon which agency and instrumentality the board, through the chief state school officer and the Department of Education, is represented in such manner as to coordinate matters of curriculum with the curricula prescribed for the public schools of the Commonwealth. Any contract for the operation of the leased television or related facilities may permit limited and special uses of the television or related facilities for other programs in the public interest, subject to the reasonable terms and conditions as the board and the operating agency and instrumentality may agree upon; but any contract shall affirmatively forbid the use of the television or related facilities, at any time or in any manner, in the dissemination of political propaganda or in furtherance of the interest of any political party or candidate for public office, or for commercial advertising. No lease between the board and the State Property and Buildings Commission shall bind the board to pay rentals for more than one (1) fiscal biennium at a time, subject to the aforesaid renewal options. The board may receive and may apply to rental payments under any lease and to the cost of providing for the operation of the television or related facilities not only appropriations which may be made to it from state funds, from time to time, but also contributions, gifts, matching funds, devises, and bequests from any source, whether federal or state, and whether public or private, so long as the same are not conditioned upon any improper use of the television or related facilities in a manner inconsistent with the provisions of this subsection.

(4) The state board may, on the recommendation and with the advice of the chief state school officer, prescribe, print, publish, and distribute at public expense such administrative regulations, courses of study, curriculums, bulletins, programs, outlines, reports, and placards as each deems necessary for the efficient management, control, and operation of the schools and programs under its jurisdiction. All administrative regulations published or distributed by the board shall be inclosed in a booklet or binder on which the words "informational copy" shall be clearly stamped or printed.

(5) Upon the recommendation of the chief state school officer or his designee, the state board shall establish policy or act on all matters relating to programs, services, publications, capital construction and facility renovation, equipment, litigation, contracts, budgets, and all other matters which are the administrative responsibility of the Department of Education.

Section 2. Whereas, participation in interscholastic athletics promotes good physical, mental, and moral development of our youth, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

HB 808, AN ACT relating to school guidance counselors.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 161 IS CREATED TO READ AS FOLLOWS:

The Education Professional Standards Board shall promulgate administrative regulations to establish alternative criteria for the certification of guidance counselors in lieu of the qualifications requiring a minimum of one (1) year of full-time classroom teaching experience or one (1) year of experience as a full-time guidance counselor. In determining this criteria, the board shall give consideration to candidates for certification who have obtained advanced levels of education in the guidance counseling subject area, and prior employment experiences comparable to the position of school guidance counselor.

The Committee Amendment No. 1 to **HB 808** is as follows:

Amend printed copy of **HB 808** on page l, line 11 by removing the new language "***obtained advanced levels of***" and inserting "***an***" in lieu thereof;

On page 1, line 12 by removing the new language "***the guidance***" and "***subject area,***";

On page 1, line 14 after "***counselo***r" by inserting the following:

"***, including higher education experiences in related areas***".

HB 848, AN ACT relating to teachers retirement.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 161.623 is amended to read as follows:

(1) Effective July 1, 1982, and thereafter, a district board of education or other employer of members of the Teachers' Retirement System may compensate, at the time of retirement for service, an active teacher for unused sick-leave days in accordance with this section.

(2) Upon the member's application for service retirement, the employer shall certify the retiring member's unused accumulated sick-leave balance to the board of trustees of the Kentucky Teachers' Retirement System. The member's sick-leave balance, expressed in days, shall be divided by one hundred eighty-five (185) days to determine the amount of service credit that may be considered for addition to the member's retirement account for the purpose of determining the retirement allowance under KRS 161.620. Such sick-leave credit shall not be used for the purpose of determining whether the member is eligible to receive a retirement allowance under KRS 161.600.

(3) The board shall compute the cost to the retirement system of the sick-leave credit for each retiring member and shall bill the last employer of the retiring member for such cost. The employer shall pay the cost of such service credit to the retirement system within fifteen (15) days after receiving notification of the cost from the board.

(4) Retiring members who receive service credit under this section shall not be eligible to receive compensation for accrued sick leave under KRS 161.155(8) or any other statutory provision.

(5) Employer participation is optional and the employer may opt to purchase less service credit than the member is eligible to receive provided the same percentage of reduction is made applicable to all retiring members of the employer during a school fiscal year.

(6) The board of trustees shall formulate and adopt necessary rules and regulations for the administration of the foregoing provisions.

(7) If a member dies before retirement, and the member's survivor is or will be eligible for benefits pursuant to KRS 161.520(1)(c), the district board of education shall purchase sick leave credit for the account of the deceased member in the same manner as it purchases sick leave credit for service retirees.

Section 2. KRS 161.155 is amended to read as follows:

(1) As used in this section:

(a) "Teacher" shall mean any person for whom certification is required as a basis of employment in the common schools of the state;

(b) "Employee" shall mean any person, other than a teacher, employed in the public schools, whether on a full or part-time basis;

(c) "Immediate family" shall mean the teacher's spouse, children including stepchildren, parents and spouse's parents, grandparents, and spouse's grandparents, without reference to the location or residence of said relative, and any other blood relative who resides in the teacher's home; and

(d) "Sick leave bank" shall mean an aggregation of sick leave days contributed by teachers for use by teachers who have exhausted all sick leave and other available paid leave days.

(2) Each district board of education shall allow to each teacher in its common school system not less than ten (10) days of sick leave during each school year, without deduction of salary. Sick leave shall be granted to a teacher if he presents a personal affidavit or a certificate of a physician stating that the teacher was ill or that the teacher was absent for the purpose of attending to a member of his immediate family who was ill. The ten (10) days of sick leave herein granted may be taken by a teacher on any ten (10) days of the school year and shall be granted in addition to accumulated sick leave days that have been credited to the teacher under the provisions of subsection (3) of this section.

(3) Days of sick leave not taken by a teacher during any school year shall accumulate without limitation and be credited to that teacher. Accumulated sick leave may be taken in any school year. Any district board of education may, in its discretion, allow teachers in its common school system sick leave in excess of the number of days prescribed in this section and may allow school district employees and teachers to use up to three (3) days' sick leave per school year for emergency leave pursuant to KRS 161.152(3). Any accumulated sick leave days credited to a teacher shall remain so credited in the event he transfers his place of employment from one (1) school district to another within the state or to the Kentucky Department of Education or transfers from the Department of Education to a school district after June 30, 1985.

(4) Accumulated days of sick leave shall be granted to a teacher, if prior to the opening day of the school year, an affidavit or a certificate of a physician is presented to the district board of education, stating that the teacher is unable to commence his duties on the opening day of the school year, but will be able to assume his duties within a period of time that the board determines to be reasonable.

(5) Any school employee may repurchase previously used sick leave days with the concurrence of the local school board by paying to the district an amount equal to the total of all costs associated with the used sick leave.

(6) A district board of education may adopt a plan for a sick leave bank. The plan may include limitations upon the number of days a teacher may annually contribute to the bank and limitations upon the number of days a teacher may annually draw from the bank. Only those teachers who contribute to the bank may draw upon the bank. Days contributed will be deducted from the days available to the contributing teacher. The sick leave bank shall be administered in accordance with a policy adopted by the board of education.

(7) A teacher may use up to thirty (30) days of sick leave following the adoption of a child or children.

(8) After July 1, 1982, a district board of education may compensate, at the time of retirement, an employee or a teacher for each unused sick leave day. The rate of compensation for each unused sick leave day shall be based on a percentage of the daily salary rate calculated from the employee's or teacher's last annual salary, not to exceed thirty percent (30%). Payment for unused sick leave days shall be incorporated into the annual salary of the final year of service; provided that the member makes the regular retirement contribution for members on the sick leave payment. The accumulation of these days includes unused sick leave days held by the employee or teacher at the time of implementation of the program. ***If a member dies before retirement, and the member's survivor is or will be eligible for benefits pursuant to KRS 161.520(1)(c), the district board of education which has adopted the provisions of this subsection to compensate teachers for unused sick leave shall compensate the surviving widow or widower for the unused sick leave. If the widow or widower makes the regular retirement contribution for members on the sick leave payment, the payment shall be incorporated into the annual salary of the member's final year of service.***

(9) Any statute to the contrary notwithstanding, employees and teachers who transferred from the Department of Education to a school district, from a school district to the Department of Education, or from one (1) school district to another school district after July 15, 1981, shall receive credit for any unused sick leave to which the employee or teacher was entitled on the date of transfer. This credit shall be for the purposes set forth in subsection (8) of this section.

Section 3. Whereas it is the intent of this Act to provide equitable sick leave benefits to survivors of teachers who have died or will die before application for retirement benefits, this Act shall be retroactive to July 13, 1990.

HB 871, AN ACT relating to student teaching.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 161.042 is amended to read as follows:

(1) The State Board for Elementary and Secondary Education shall provide through administrative regulation for the utilization of the common schools for the preparation of teacher education students from the colleges and universities.

(2) Within the provisions established by the State Board for Elementary and Secondary Education, local boards of education are authorized to enter into cooperative agreements, including financial arrangements, with colleges and universities for the purpose of providing professional laboratory experiences and student teaching experiences for students preparing for the education profession.

(3) ***A supervising teacher shall have professional competencies as set out in administrative regulations promulgated by the Education Professional Standards Board. If obtainment of a degree above the baccalaureate level is required of supervising teachers, the Education Professional Standards Board shall waive the requirement for teachers who have at least twenty (20) years of teaching experience and who have worked as a supervising teacher during the past five (5) years.***

(4) A student teacher who is jointly assigned under agreement by a teacher education institution and a local board of education shall have the same legal status and protection as a certificated teacher employed within the school district and shall be responsible to the administrative staff of the school district and the supervising teacher to whom he is assigned.

(5)[~~(4)~~] Teacher education students, other than student teachers, may be permitted through cooperative agreements between the local school district and the teacher education institution, to engage in supplementary instructional activities with pupils under the direction and supervision of the professional administrative and teaching staff of the school district.

Calendar

HB 791, HB 801, HB 811, HB 63, HB 800, HB 830, HB 223, HB 224, HB 226, HB 788, HB 185, HB 415, HB 576, HB 638, SB 113, HB 543, HB 665, HB 704, HB 748, HB 631, HB 445, HB 450, HB 556, HB 604, HB 648, HB 670, HB 682, HB 730, HB 749, HB 753 and **HB 769** taken from the Calendar and ordered read at length for the second time. Representative Stumbo moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Consent Calendar

HB 747 and **HB 785** taken from the Consent Calendar and ordered read at length for the second time. Representative Stumbo moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Recess

Representative Stumbo moved that the House recess for five minutes for a meeting of the Committee on Rules. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Representative Stumbo moved that the rules be suspended for a report of the Committee on Rules. Agreed.

Report of Committees (Continued)

The Committee on Rules reported that the following Consent Bill has been posted for passage in the Regular Orders of the Day for March 13, 1992: **HB 747**

The Committee on Rules reported that **HB 387, HB 540, HB 121, HB 122, HB 123, HB 181, HB 191, HB 418, HB 554, HJR 25, HB 63, HB 415, HB 445, HB 450, HB 543, HB 556, HB 576, HB 604, HB 638, HB 648, HB 665, HB 670, HB 682, HB 704, HB 730, HB 748, HB 749, HB 753, HB 788, HB 791, HB 800, HB 801, HB 811, HB 830** and **SB 113** have been posted for passage in the Orders of the Day for March 13, 1992.

The Committee on Rules reported that the following Bills have been recommitted:

Appropriations and Revenue: **HB 785, HB 549**

Floor Amendments (Continued)

Floor Amendment No. 1 to **HB 704**, by Representative Noland:

Amend printed copy of **HB 704** on page 40, after line 2, but before line 3, by adding the following new sections:

"Section 26. KRS 142.300 is amended to read as follows:

(1) Every individual shall, at the time prescribed in subsection (3), make a declaration of his estimated tax for the taxable year if his gross income from sources other than wages upon which Kentucky income tax will be withheld can reasonably be expected to exceed five thousand dollars ($5,000) for the taxable year and his gross income or adjusted gross income can reasonably be expected to be an amount not less than the amount for which a return is required under KRS 141.180. ***Provided, no declaration of estimated tax is required if the estimated tax liability can reasonably be expected to be two-hundred dollars ($200.00) or less.***

(2) In the declaration required under subsection (1) the individual shall state:

(a) The amount which he estimates as the amount of tax under KRS 141.020 for the taxable year;

(b) The amount which he estimates as the credits for the taxable year under KRS 141.310, 141.315 and KRS 141.065;

(c) The excess of the amount estimated under paragraph (a) over the amount estimated under paragraph (b), which excess for purposes of this chapter shall be considered the estimated tax for the taxable year;

(d) Such other information as may be prescribed in regulations promulgated by the cabinet[~~;~~

~~(e) Notwithstanding the above provisions, no declaration is required if the estimated tax can reasonably be expected to be less than forty dollars ($40)~~].

(3) The declaration required under subsection (1) shall be filed with the cabinet on or before April 15 of the taxable year, except that if the requirements of subsection (1) are first met:

(a) After April 1 and before June 2 of the taxable year, the declaration shall be filed on or before June 15 of the taxable year; or

(b) After June 1 and before September 2 of the taxable year, the declaration shall be filed on or before September 15 of the taxable year; or

(c) After September 1 of the taxable year, the declaration shall be filed on or before January 15 of the succeeding taxable year.

(4) An individual may make amendments of a declaration filed during the taxable year under subsection (3), under regulations prescribed by the cabinet.

(5) If on or before January 31 of the succeeding taxable year the taxpayer files a return for the taxable year for which the declaration is required and pays in full the amount computed on the return as payable then, under regulations prescribed by the cabinet:

(a) If the declaration is not required to be filed during the taxable year, but is required to be filed on or before such January 15, such return shall, for the purposes of this section, be considered as such declaration; and

(b) If the tax shown on the return, reduced by the credits under KRS 141.350, is greater than the estimated tax shown in a declaration previously made or, in the last amendment thereof, such return shall, for the purposes of this section, be considered as the amendment of the declaration permitted by subsection (4) to be filed on or before such January 15.

(6) The cabinet shall promulgate regulations governing reasonable extensions of time for filing declarations and paying the estimated tax. Except in the case of taxpayers who are abroad, no such extension shall be for more than six (6) months.

(7) If the taxpayer is unable to make his own declaration, the declaration shall be made by a duly authorized agent or by the guardian, conservator, or other person charged with the care of the person or property of such taxpayer.

(8) For the purposes of KRS 131.190, a declaration of estimated tax shall be held and considered a return of income under this chapter.

Section 27. KRS 141.990 is amended to read as follows:

(1) If any taxpayer fails or refuses to file a return or furnish any information requested in writing by the cabinet, the cabinet may make an estimate of the net income from any information in its possession, assess the tax at not more than twice the amount estimated to be due and add a penalty of twenty-five percent (25%) of the amount of any deficiency tax assessed concerning the failure or refusal to file a return or furnish any information. This penalty shall be in addition to all other applicable penalties in this section.

(2) If any taxpayer fails to make and file a return required by this chapter on or before the due date of the return or the due date as extended by the cabinet, then, unless it is shown to the satisfaction of the cabinet that the failure is due to reasonable cause, five percent of the tax found to be due by the cabinet shall be added to the tax for each thirty days or fraction thereof that filing the return is beyond the time prescribed or extended, but the total penalty shall not exceed twenty-five percent (25%) of the tax.

(3) If any taxpayer fails to pay the tax imposed by this chapter on or before the due date of the return or the due date as extended by the cabinet, unless it is shown to the satisfaction of the cabinet that the failure is due to reasonable cause, there shall be added to the tax found to be due by the cabinet one-half percent (0.5%) of the amount of the tax if the failure is for not more than one (1) month, with an additional one-

half percent (0.5%) for each additional month or fraction thereof that payment of the tax is made beyond the time prescribed or extended, but the total penalty shall not exceed twenty-five percent (25%) of the tax.

(4) If any corporation granted an extension of time to file its income return under the provisions of KRS 141.170(2) fails to pay any remaining balance shown on the return by the extended due date of the return, or fails to pay, prior to the granting of the extension, an amount equal to either:

(a) The tax shown on the return of the corporation for the preceding taxable year, if a return showing a liability for tax was filed by the corporation for the preceding taxable year and the preceding year was a taxable year of twelve (12) months; or

(b) Ninety percent (90%) of its liability for the taxable year after the liability is reduced by any estimated tax payments, overpayments from prior years or other prepayments which may be properly claimed as a credit, then, unless it is shown to the satisfaction of the cabinet that the failure is due to reasonable cause, the penalty provided for in subsection (3) of this section shall be imposed from the original due date of the return.

(5) If any part of any deficiency is due to negligence, or intentional disregard of rules and regulations but without intent to defraud, five percent (5%) of the total amount of the deficiency, in addition to the deficiency and other penalties provided in this section, shall apply.

(6) If any part of any deficiency is due to fraud with intent to evade tax, fifty percent (50%) of the total amount of the deficiency, in addition to the deficiency and other penalties provided in this section, shall apply.

(7) Any person required under the provisions of KRS 141.150 or 141.335 to furnish a statement required under that section who willfully furnishes a false or fraudulent statement, or who willfully fails to furnish a statement in the manner at the time and showing the information required under KRS 141.150 and 141.335, may for each such failure be subject to a civil penalty of ten dollars ($10). Such penalty may be assessed and collected by the cabinet, and the assessment of such penalty may be reviewed only in the manner provided in KRS 131.110.

(8) (a) Any employer required under the provisions of KRS 141.310, 141.315 or 141.330 to withhold taxes on wages, file returns, and make payment of amounts withheld to the cabinet, who fails to withhold such taxes, or to file such returns when due, or who fails to remit amounts collected to the cabinet when due, or when filing the returns understates the amount due shall, unless such failure to comply is shown to the satisfaction of the cabinet to be due to reasonable cause, be subject to a civil penalty equal to five percent (5%) per month or fraction thereof not to exceed twenty-five percent (25%), of the amount of taxes that should have been properly withheld and paid over to the cabinet, or ten dollars ($10), whichever is greater, for each such failure. However, where such failure is shown to be due to reasonable cause the cabinet may reduce the penalty provided herein to an amount equal to five percent (5%) of the amount of taxes that should have been properly withheld and paid over to the cabinet but not to exceed one hundred dollars ($100), or ten dollars ($10), whichever is greater, for each such penalty. Each penalty shall be assessed and collected by the cabinet and the assessment of such penalty may be reviewed only in the manner provided in KRS 131.110. The penalty may be waived if the return and payment are received within thirty (30) days after the due date and the employer has no previous record of late filing or late payment within two (2) years next preceding such due date.

(b) Any employer required to file a return under the provisions of KRS 141.330(1) when no tax should have been properly withheld, and who fails to file the same when due, shall be subject to a civil penalty of ten dollars ($10) for each violation. Such penalty shall be assessed and collected by the cabinet and the assessment of such penalty may be reviewed only in the manner provided in KRS 131.110. The penalty may be waived if the return is received within thirty (30) days after the due date and the employer has no previous record of late filing within two (2) years next preceding such due date.

(9) Any individual required by KRS 141.300 to file a declaration of estimated tax and required by KRS 141.305 to pay such declaration of estimated tax may be subject to a penalty of ten percent (10%) of any underpayment or any late payment. Underpayment, for purposes of this subsection, is determined by subtracting applicable credits allowed by KRS 141.070, 141.300 and 141.310 from seventy percent (70%) of the tax liability as shown on the return for the taxable year. This subsection shall not apply to the taxable year in which the death of the taxpayer occurs*,* nor in the case of a farmer exercising an election under subsection (5) of KRS 141.305*, **nor in the case of any person having a tax liability of two hundred ($200.00) or less***.

(10) Any corporation required by KRS 141.042 to file a declaration of estimated tax and required to pay such declaration of estimated tax by the installment method prescribed by subsection (1) of KRS 141.044,

may be subject to a penalty of ten percent (10%) of any installment underpayment or any installment not paid on time. Installment underpayment is the installment determined by subsection (1) of KRS 141.044, less the installment actually paid, based upon seventy percent (70%) of the income tax shown to be due on the final return for the year reduced by five thousand dollars ($5,000).

(11) Any penalty imposed by subsections (1), (2), (3), (4), (5), (6), (7), or (8) of this section shall be assessed, collected, and paid in the same manner as if it were a deficiency.

(12) Every tax imposed by this chapter, and all increases, interest and penalties thereon, shall become, from the time it is due and payable, a personal debt to the state from the taxpayer or other person liable therefor.

(13) In addition to the penalties herein prescribed, any taxpayer or employer, who willfully fails to make a return or willfully makes a false return, or who willfully fails to pay taxes owing or collected, with intent to evade payment of the tax or amount collected, or any part thereof, shall upon conviction thereof be fined not less than five hundred dollars ($500) nor more than five thousand dollars ($5,000), or confined in the penitentiary for not less than twelve (12) months or more than five (5) years, or both.

(14) Any person who willfully aids or assists in, or procures, counsels, or advises the preparation or presentation under, or in connection with any matter arising under KRS Chapter 141 of a return, affidavit, claim, or other document, which is fraudulent or is false as to any material matter, whether or not such falsity or fraud is with the knowledge or consent of the person authorized or required to present such return, affidavit, claim, or document, shall be guilty of a felony and, upon conviction thereof, shall be fined not more than five thousand dollars ($5,000), or imprisoned not more than three (3) years, or both, together with the costs of prosecution.

(15) A return for the purpose of this section shall mean and include any return, declaration or form prescribed by the cabinet and required to be filed with the cabinet by the provisions of this chapter, or by the rules and regulations of the cabinet or by written request for information to the taxpayer by the cabinet."

On page 40, line 3, by deleting "26" and inserting in lieu thereof "28".

On page 40, line 7, by deleting "27" and inserting in lieu thereof "29".

Floor Amendment No. 1 to the Committee Substitute to **HB 361**, by Representative Geveden:

Amend printed copy of **HB 361/HCS** on page 5, between lines 5 and 6, insert the following:

"***(3) Kentucky Highway 80, from Columbus, Kentucky, to Elkhorn City, Kentucky, shall be named the "Kentucky Trace Highway".***"

Floor Amendment No. 1 to **HB 675**, by Representative Gedling:

Amend printed copy of **HB 675** on page 1, line 6, by deleting "***of county government***".

Floor Amendment No. 1 to the Committee Substitute to **HB 543**, by Representative Lear:

Amend printed copy of **HB 543/HCS** on page 14, line 14, after "***education;***" insert "***workforce training;***".

Floor Amendment No. 1 to **HB 427**, by Representative Rapier:

Amend printed copy of **HB 427** on page 1, line 7, by deleting "***June 30 of***";

On page 1, lines 8 and 9, by deleting the following:

"***and before July 1 following their thirtieth year,***" and inserting in lieu thereof the word "***by***";

On page 1, line 10, after "***their***" by adding "***current year's***" and by deleting "***earned during their twenty-seventh year of Kentucky service***" on lines 10 and 11;

On page 1, line 14, after "***(3)***" by deleting the remainder of the line and by deleting lines 14 through 21 in their entirety;

On page 2, by deleting lines 1 and 2 in their entirety;

On page 2, line 3, by deleting "***(4)***";

On page 2, line 8, by changing "***(5)***" to "***(4)***";

On page 2, after line 10, by adding the following:

"***(5) This section shall expire June 30, 1993.***

Section 2. Whereas it is critical that districts be able to maximize the funds available for education reform, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor."

Floor Title Amendment to **HB 427**, by Representative Rapier:

Amend printed copy of **HB 427** by amending the title to read as follows:

"AN ACT relating to education and declaring an emergency."

Floor Amendment No. 1 to **HB 666**, by Representative B. Smith:

Amend printed copy of **HB 666** on pages 1 and 2, by deleting Section 1 and Section 2 in their entirety and substituting therefor the following:

"SECTION 1. A NEW SECTION OF KRS CHAPTER 248 IS CREATED TO READ AS FOLLOWS:

(1) Each holder of an official authorization (marketing card) from the federal Agricultural Stabilization and Conservation Service (ASCS) to legally market tobacco shall annually have deducted sixty cents ($0.60) from the proceeds of the sale of tobacco, unless the holder is authorized to legally market more than five thousand (5,000) pounds of tobacco in which case one dollar ($1.00) shall be annually deducted from the proceeds of the sale of tobacco. The amount deducted shall be paid to the "Tobacco Labor Fund" in the State Treasury for the purpose of making available labor for setting, cutting, housing, and stripping tobacco, but not for the purpose of paying the labor.

(2) The amount deducted according to subsection (1) of this section shall be deducted by all sales markets or purchasers of tobacco, or by their agents or representatives, from the purchase price paid the holder of the official authorization to market tobacco. On or before the fifteenth day of the month following the month during which the amount was deducted, the amount shall be remitted to the State Board of Agriculture and deposited to the credit of the "Tobacco Labor Fund."

(3) The State Board of Agriculture shall accept applications from organizations which make labor available to tobacco producers for the purpose of setting, cutting, housing, and stripping tobacco. The state board shall execute a contract with the organization it determines to be the most capable of providing this service. The contract shall be paid out of the "Tobacco Labor Fund." The "Tobacco Labor Fund" shall not be used to compensate tobacco laborers.

(4) The holder referred to in subsection (1) of this section may request in writing a refund from the State Board of Agriculture, and the state board shall pay the refund to the holder.

(5) The State Board of Agriculture may issue an administrative regulation to implement this section.

(6) Any person who violates this section shall be fined not less than twenty-five dollars ($25) nor more than fifty dollars ($50). Each day of violation constitutes a separate offense."

Floor Amendment No. 1 to the Committee Substitute to **HB 418**, by Representative Farrow:

Amend printed copy of **HB 418/HCS** on page 2, line 12, after "***recreation,***" by adding "***economic development,***"

Orders of the Day

SB 117 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Palumbo moved that **SB 117** be passed.

On the roll call the vote was: Yeas 92, Nays 3. (See March 11, 1992 roll call on **SB 117** - Appendix.)

SB 117 was passed and the title agreed to.

Representative Palumbo moved that the vote by which **SB 117** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 637, with Committee Amendments and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Freibert moved the adoption of Committee Amendment No. 2 to **HB 637**. Agreed.

Representative Freibert moved the adoption of Floor Amendment No. 1 to **HB 637**. Agreed.

Representative Freibert moved that **HB 637**, as amended, be passed.

On the roll call the vote was: Yeas 97, Nays 0. (See March 11, 1992 roll call on **HB 637** - Appendix.)

HB 637, as amended, was passed and the title agreed to.

Representative Freibert moved that the vote by which **HB 637**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 628, with Committee Amendment, Title Amendment and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Ridley moved the adoption of Committee Amendment No. 1 to **HB 628**. Agreed.

Representative Ridley moved the adoption of Floor Amendment No. 1 to **HB 628**. Agreed.

Representative Ridley moved that **HB 628**, as amended, be passed.

On the roll call the vote was: Yeas 96, Nays 0. (See March 11, 1992 roll call on **HB 628** - Appendix.)

HB 628, as amended, was passed.

Representative Ridley moved the adoption of the Committee Title Amendment to **HB 628**. Agreed; and the title was agreed to.

Representative Ridley moved that the vote by which **HB 628**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 585, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Reinhardt moved the adoption of Committee Substitute to **HB 585**. Agreed.

Representative Reinhardt moved that **HB 585**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 95, Nays 1. (See March 11, 1992 roll call on **HB 585** - Appendix.)

HB 585, by way of Committee Substitute, was passed and the title agreed to.

Representative Reinhardt moved that the vote by which **HB 585**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

Floor Amendments (Continued)

Floor Amendment No. 1 to **HB 223**, by Representative Keith:

Amend printed copy of **HB 223** on page 11, line 24, after the period, insert the following:

"However, any teacher who has five (5) years or more experience in the affected position and who has had satisfactory evaluations of his performance in that position during that time shall be excluded from the requirement of this section.".

Floor Amendment No. 1 to the Committee Substitute to **HB 554**, by Representative Long:

Amend printed copy of **HB 554/HCS** on page 3, after line 21, by adding the following:

"SECTION 3. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

The rate of reimbursement for Medicaid eligibles residing in eight (8) bed psychiatric residential treatment facilities shall not exceed the rate of reimbursement for Medicaid eligibles residing in sixteen (16) bed psychiatric residential treatment facilities."

and on line 22, by renumbering "Section 3." to "Section 4.".

Orders of the Day (Continued)

HB 206, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Gray moved the adoption of Floor Amendment No. 1 to **HB 206**. Agreed.

Representative Gray moved that **HB 206**, as amended, be passed.

On the roll call the vote was: Yeas 94, Nays 0. (See March 11, 1992 roll call on **HB 206** - Appendix.)

HB 206, as amended, was passed and the title agreed to.

Representative Gray moved that the vote by which **HB 206**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 318, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative J. Harper moved the adoption of the Committee Substitute to **HB 318**. Agreed.

Representative J. Harper moved that **HB 318**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 78, Nays 12. (See March 11, 1992 roll call on **HB 318** - Appendix.)

HB 318, by way of Committee Substitute, was passed and the title agreed to.

Representative J. Harper moved that the vote by which **HB 318**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

Senate Message

Announcing passage of **SB 323**, **HB 315** with Senate Amendment, and **HB 494**. (Time: 2:40 p.m.)

Orders of the Day (Continued)

HJR 85, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved that **HJR 85** be placed back in the Orders of the Day for March 11, 1992. Agreed.

HB 451 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative J. Clarke moved that **HB 451** be passed.

On the roll call the vote was: Yeas 98, Nays 0. (See March 11, 1992 roll call on **HB 451** - Appendix.)

HB 451 was passed and the title agreed to.

Representative Clarke moved that the vote by which **HB 451** was passed be reconsidered and said motion be placed on the table. Agreed.

HJR 85, with Committee Substitute attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved the adoption of the Committee Substitute to **HJR 85**. Agreed.

Representative Clarke moved that **HJR 85**, by way of Committee Substitute, be adopted.

On the roll call the vote was: Yeas 97, Nays 2. (See March 11, 1992 roll call on **HJR 85** - Appendix.)

HJR 85, by way of Committee Substitute, was adopted.

Representative Clarke moved that the vote by which **HJR 85**, by way of Committee Substitute, was adopted be reconsidered and said motion be placed on the table. Agreed.

HB 467 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved that **HB 467** be passed.

On the roll call the vote was: Yeas 97, Nays 0. (See March 11, 1992 roll call on **HB 467** - Appendix.)

HB 467 was passed and the title agreed to.

Representative Stumbo moved that the vote by which **HB 467** was passed be reconsidered and said motion be placed on the table. Agreed.

HJR 86, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved the adoption of the Committee Substitute to **HJR 86**. Agreed.

Representative Clarke moved that **HJR 86**, by way of Committee Substitute, be adopted.

On the roll call the vote was: Yeas 95, Nays 1. (See March 11, 1992 roll call on **HJR 86** - Appendix.)

HJR 86, by way of Committee Substitute, was adopted.

Representative Stumbo moved that the vote by which **HJR 86**, by way of Committee Substitute, was adopted be reconsidered and said motion be placed on the table. Agreed.

Floor Amendments (Continued)

Floor Amendment No. 2 to the Committee Substitute to **HB 361**, by Representative Hancock:

Amend printed copy of **HB 361/HCS** on page 6, line 14, after the word "***plans***" and before the word "***shall***" insert the following: "***, excluding Turnpike Authority financed projects,***".

Floor Amendment No. 1 to the Committee Substitute to **HB 317**, by Representative Morris:

Amend printed copy of **HB 317/HCS** on page 8, line 5, delete ***1996*** and substitute ***2004*** in lieu thereof.

Floor Amendment No. 1 to the Committee Substitute to **HB 749**, by Representative Burch:

Amend printed copy of **HB 749/HCS** on page 16, line 2, by deleting the word "***subsection***" and inserting in lieu thereof the words "***subsections***" and on line 3, after the number "(1)," by adding the word "***and***" and by deleting the bracket before the number "(2)" and placing a bracket after the number "(2)".

Orders of the Day (Continued)

HB 468, with Committee Substitute and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved the adoption of the Committee Substitute to **HB 468**. Agreed.

Representative Clarke moved that **HB 468**, by way of Committee Substitute, be passed.

Representative LeMaster moved the adoption of Floor Amendment No. 3 to the Committee Substitute to **HB 468**. Agreed.

Representative Keith moved the adoption of Floor Amendment No. 8 to the Committee Substitute to **HB 468**.

On the roll call the vote was yeas 32—Allen, Altman, Bentley, Bryant, Casebier, P. Clark, Farley, Ford, Gee, J. Harper, K. Harper, Heleringer, Jensen, Keith, Lile, Mack, Maggard, Mason, Mullinix, Noland, Nunn, Overstreet, Reinhardt, Ridley, Sanders, T. Smith, Strong, Toby, Todd, Turner, Walker, Zimmerman. Nays 62—Ackerson, Adkins, Ark, Arnold, Ballard, Blandford, Bowling, Bronger, Brown, Bruce, Burch, Butler, Callahan, Castleman, L. Clark, Clarke, Coleman, Collins, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Farrow, Freibert, Geveden, Gray, Gregory, Hancock, Hatcher, Hourigan, Johnson, Jones, Kerr, Lear, LeMaster, Lewis, Long, Lyne, McElroy, Moberly, Morris, Nelson, Noe, Northup, Palumbo, Pritchett, Rapier, Ravenscraft, Richards, Richardson, Riggs, Riner, Scorsone, Sheehan, B. Smith, R. Smith, Stumbo, Ward, Wayne, Worthington, Yates.

Floor Amendment No. 8 to the Committee Substitute to **HB 468** was rejected.

Representative Lear moved the adoption of Floor Amendment No. 4 to the Committee Substitute to **HB 468**. Rejected.

Representative Jensen moved the adoption of Floor Amendment No. 7 to the Committee Substitute to **HB 468**.

On the roll call the vote was yeas 34—Ackerson, Allen, Altman, Bryant, Casebier, Farley, Ford, Freibert, Gee, J. Harper, K. Harper, Heleringer, Hourigan, Jensen, Keith, Lile, Maggard, Morris, Mullinix, Napier, Noland, Northup, Nunn, Reinhardt, Sanders, T. Smith, Strong, Toby, Todd, Turner, Walker, Williams, Worthington, Zimmerman. Nays 56—Adkins, Ark, Arnold, Ballard, Barrows, Bentley, Blandford, Bowling, Bronger, Brown, Burch, Butler, Callahan, Castleman, L. Clark, Clarke, Coleman, Collins, Crupper, Curd, Cyrus, Donnermeyer, Farrow, Geveden, Gregory, Hancock, Hatcher, Johnson, Jones, Kerr, Lear, LeMaster, Lewis, Little, Long, Lyne, Mack, Mason, Moberly, Nelson, Noe, Palumbo, Rapier, Ravenscraft, Richards, Richardson, Ridley, Riggs, Riner, Scorsone, Sheehan, B. Smith, R. Smith, Stumbo, Ward, Yates.

Floor Amendment No. 7 to the Committee Substitute to **HB 468** was rejected.

On the roll call on the passage of **HB 468** by way of Committee Substitute as amended the vote was: Yeas 86, Nays 12. (See March 11, 1992 roll call on **HB 468** - Appendix.)

HB 468, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Clarke moved that the vote by which **HB 468**, by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Stumbo moved that the rules be suspended to act upon **HJR 87**. Agreed.

HJR 87, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved the adoption of the Committee Substitute to **HJR 87**. Agreed.

Representative Clarke moved that **HJR 87**, by way of Committee Substitute, be adopted.

On the roll call the vote was: Yeas 83, Nays 6. (See March 11, 1992 roll call on **HJR 87** - Appendix.)

HJR 87, by way of Committee Substitute, was adopted.

Floor Amendments (Continued)

Floor Amendment No. 1 to **HB 181**, by Representative Barrows:

Amend printed copy of **HB 181** on page 1, line 5 before the word "***full***" insert the words "***up to***";

On page 1, line 5 after the word "***tuition***" delete the word "***credit***" and insert "***award***" in lieu thereof; and

On page 2, line 20 after the word "***shall***" delete remaining new language and insert in lieu thereof "***repay to the Department of Military Affairs the***;

On page 2, line 21 delete the word "***credit***" and insert "***award***" in lieu thereof; and

On page 2, line 22 after the word "***section***" add a "."; and

On page 2, line 22 delete the word "***and***";

On page 2, line 22 delete the word "***the***" and insert in lieu thereof "***The***";

On page 2, line 23 delete "***assist the institution in***" and insert "***be responsible for***" in lieu thereof;

On page 3, line 17 after the word "***shall***" delete "***, in***";

On page 3, delete line 18 in its entirety;

On page 3, line 19 delete "***Workforce Development Cabinet,***"

On page 3, line 19 delete the word "***any***";

On page 3, line 21 before the underlined period add the following:

"***, including a method to distribute reasonable award amounts of less than full tuition in order to serve as many eligible persons as reasonable, based on the funds appropriated for the biennium.***"

On page 3, delete lines 24-26 in their entirety;

On page 4, delete lines 1-6 in their entirety.

Motions, Petitions and Communications

Representative Stumbo moved that **HJR 116** be recommitted to the Committee on Appropriations and Revenue. Agreed.

Representative Stumbo moved that the three day posting requirement on **HB 755** be waived. Agreed.

Representative Stumbo moved that the three day posting requirement on **HB 925** be waived. Agreed.

Representative Stumbo moved that **HB 460** be reassigned to the Committee on Health and Welfare. Agreed.

Representative Stumbo moved that the three day posting requirement on **HB 460** be waived. Agreed.

Representative Stumbo moved that the rules be suspended for Introduction of Bill and Resolutions, Report of Committees, Posting of Bills and Resolutions for Consideration and to allow co-sponsors. Agreed.

Introduction of Bills and Resolutions

HCR 191, by Representatives Bentley and Stumbo: A CONCURRENT RESOLUTION establishing a commission to study firefighting services in Kentucky.

HR 192, by Representative Donnermeyer: A RESOLUTION recommending that the Interim Joint

Committee on Cities review issues relating to affordable housing.

HR 193, by Representative Donnermeyer: A RESOLUTION recommending a review of how local government officials are compensated in the Commonwealth.

HR 194, by Representative Little: A RESOLUTION urging the secretary of the Transportation Cabinet to designate United States Route 23, "The Country Music Highway."

Posting of Bills and Resolutions for Consideration

The Clerk announced that the following Bills and Resolutions have been posted for Committee consideration:

Health and Welfare: **HB 854, HJR 144**

State Government: **HCR 175, HB 925**

Tourism Development and Energy: **HB 897, HB 914, HB 916, HB 919, HB 920, SB 334, SB 335, SB 341**

Report of Committees (Continued)

The Committee on Appropriations and Revenue reported **HB 133** and **HB 220**, with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules as Consent Bills.

The Committee on Appropriations and Revenue reported **HB 167**, with Committee Amendment attached thereto, **HB 174**, with Committee Amendment attached thereto, **HB 192**, with Committee Substitutes attached thereto, **HB 738** and **HB 698**, with Committee Substitute and Committee Amendment attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

The Committee Amendment No. 1 to **HB 167** is as follows:

Amend printed copy of **HB 167** on page 1, line 14, by deleting the new language "***fifty***" and by deleting the new amount "***($650)***" and inserting in lieu thereof the amount "***($600)***";

line 16, by deleting the new language "***four***" and inserting in lieu thereof "***three***";

line 17, by removing the brackets before and after the word "fifty" and related strike throughs, and by deleting the new amount "***($400)***" and inserting in lieu thereof the amount "***($350)***";

On page 2, line 6, by deleting the new language "***fifty***" and by deleting the new amount "***($650)***" and inserting in lieu thereof the amount "***($600)***";

line 8, by deleting the new language "***four***" and inserting in lieu thereof "***three***" and by removing the brackets before and after the word "fifty" and related strike throughs;

line 9, by deleting the new amount "***($400)***" and inserting in lieu thereof the amount "***($350)***";

line 20, by deleting the new language "***fifty***" and by deleting the new amount "***($650)***" and inserting in lieu thereof the amount "***($600)***";

line 22, by deleting the new language "***four***" and inserting in lieu thereof "***three***";

line 23, by removing the brackets before and after the word "fifty" and related strike throughs, and by deleting the new amount "***($400)***" and inserting in lieu thereof the amount "***($350)***".

The Committee Substitute No. 2 to **HB 192** is as follows:

HB 192, AN ACT relating to maternal health.

WHEREAS, The General Assembly finds that a woman's ability to bear healthy children is threatened by the consequences of alcoholism and drug abuse; as many as ten percent (10%) of all births in the Commonwealth may be affected by alcohol or drug abuse; drug and alcohol use during pregnancy can result in low birthweight, physical deformities, mental retardation, learning disabilities, and other health problems in newborn infants; fetal alcohol syndrome is the leading identifiable cause of mental retardation in the nation and the only one that is totally preventable; drug and alcohol impaired individuals pose extraordinary societal costs in terms of the medical, educational, and support services needed throughout the individual's lifetime; education and treatment are essential strategies in preventing prenatal exposure to alcohol and other drugs; pregnant substance abusing women face more barriers to substance abuse treatment than other persons seeking treatment; adequate prenatal care is an essential element in delivering a healthy, well-developed newborn; punitive actions taken against pregnant alcohol or substance abusers would create additional problems, including discouraging these individuals from seeking the essential prenatal care and substance abuse treatment necessary to deliver a healthy newborn; and

WHEREAS, the General Assembly finds it is necessary to treat the problem of alcohol and drug use during pregnancy solely as a public health problem by seeking expanded access to prenatal care and to alcohol and substance abuse education and treatment programs;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 243 IS CREATED TO READ AS FOLLOWS:

(1) All licensed retail vendors of alcoholic beverages shall post in a prominent place easily seen by patrons a printed sign at least eleven (11) inches by fourteen (14) inches in size, with letters at least one (1) inch high, supplied by the Alcoholic Beverage Control Commission, and with gender neutral language supplied by the Cabinet for Human Resources, which shall warn that drinking alcoholic beverages prior to conception or during pregnancy can cause birth defects.

(2) A person who violates subsection (1) of this section shall be subject to a fine of not less than ten dollars ($10) nor more than fifty dollars ($50).

SECTION 2. A NEW SECTION OF KRS CHAPTER 222 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby created within the Cabinet for Human Resources a Substance Abuse and Pregnancy Work Group. The work group shall carry out the planning and coordinating activities of the Commonwealth with regard to substance dependency and abuse during pregnancy.

(2) The work group shall be appointed by the Secretary for Human Resources and be composed of, but not restricted to, a representative of the Cabinet for Human Resources, Department for Health Services, Division of Maternal and Child Health Services; Department for Social Services; Department for Mental Health and Mental Retardation Services, Division of Substance Abuse and Division of Mental Health; Department for Medicaid Services; Justice Cabinet, Department of State Police, Drug Enforcement, Special Investigations Unit; Department of Education, Division of Program Resources; Office of the Attorney General; Office for a Drug Free Kentucky; Regional Community Mental Health and Mental Retardation System; University of Louisville, School of Medicine, Department of Pediatrics; University of Kentucky Medical Center, Department of Obstetrics and Gynecology; local or district health department; Kentucky Psychological Association; Kentucky Pharmacists Association; Kentucky Hospital Association; Kentucky Nurses Association; and the Kentucky Medical Association. The Director of the Division of Substance Abuse shall serve as chairperson.

(3) The work group shall meet at least quarterly and shall periodically assess the extent of alcohol and other substance dependency and abuse among Kentucky women who are pregnant; identify, develop, and coordinate resources available and needed within the Commonwealth for any person who is pregnant and at risk of alcohol and substance dependency or abuse; and identify, develop, and coordinate resources available and needed for infants and children exposed to alcohol or drugs during pregnancy.

(4) The work group shall make an annual report, no later than January 1 of each year, of its activities and any recommendations to the Secretary of the Cabinet for Human Resources and the Legislative Research Commission.

(5) The provisions of subsections (1) to (4) of this section, creating a Substance Abuse and Pregnancy Work Group shall expire on July 15, 1998. As of that date, the Substance Abuse and Pregnancy Work Group shall cease to exist.

Section 3. KRS 214.160 is amended to read as follows:

(1) Every physician and every other person legally permitted to engage in attendance upon a pregnant woman in this state shall take or cause to be taken from the woman a specimen of blood[,] for serological test for syphilis as soon as he is engaged to attend the woman and has reasonable grounds for suspecting that pregnancy exists. If the woman is in labor at the time the diagnosis of pregnancy is made, which may make it inadvisable to obtain a blood specimen ***at that time*** [~~then~~], the specimen shall be obtained within ten (10) days after delivery. The specimen of blood shall be submitted to the laboratory of the Cabinet for Human Resources or a laboratory approved by the cabinet, for the purpose of having made a serological test for syphilis. The test shall be of a type approved by the Cabinet for Human Resources.

(2) The Cabinet for Human Resources shall, as often as necessary, publish a list of the five (5) most frequently abused substances, including alcohol, by pregnant women in the Commonwealth. Any physician and any other person legally permitted to engage in attendance upon a pregnant woman in this state may perform a screening for alcohol or substance dependency or abuse, including a comprehensive history of such behavior. Any physician may administer a toxicology test to a pregnant woman under the physician's care within eight (8) hours after delivery to determine whether there is evidence that she has ingested alcohol, a controlled substance, or a substance identified on the list provided by the cabinet, or if the woman has obstetrical complications that are a medical indication of possible use of any such substance for a nonmedical purpose.

(3) Any physician or person legally permitted to engage in attendance upon a pregnant woman may administer to each newborn infant born under that person's care a toxicology test to determine whether there is evidence of prenatal exposure to alcohol, a controlled substance, or a substance identified on the list provided by the Cabinet for Human Resources, if the attending person has reason to believe based on a medical assessment of the mother or the infant, that the mother used any such substance for a nonmedical purpose during the pregnancy.

(4) The circumstances surrounding any positive toxicology finding shall be evaluated by the attending person to determine if abuse or neglect of the infant, as defined under KRS 600.020(1), has occurred and whether investigation by the Cabinet for Human Resources is necessary.

(5) No prenatal screening for alcohol or other substance abuse or positive toxicology finding shall be used as prosecutorial evidence.

(6) No person shall conduct or cause to be conducted any toxicological test pursuant to this section on any pregnant woman without first informing the pregnant woman of the purpose of the test.

SECTION 4. A NEW SECTION OF KRS CHAPTER 214 IS CREATED TO READ AS FOLLOWS:

(1) The Cabinet for Human Resources may conduct periodic anonymous surveys to determine the prevalence within the Commonwealth of drug and alcohol use during pregnancy. These periodic surveys may include, but are not limited to, toxicology tests to determine the presence of alcohol, controlled substances, or other drugs which have not been prescribed due to medical necessity.

(2) All hospitals and any other health facilities licensed pursuant to KRS Chapter 216B which provide for obstetrical services, including delivery of newborn infants, shall, as a condition of licensure, participate in any periodic surveys conducted by the Cabinet for Human Resources for the purposes of determining the prevalence of alcohol or other substance abuse among pregnant women and newborn infants.

(3) Any surveys conducted pursuant to this section shall be conducted according to guidelines established by the Cabinet for Human Resources. The toxicology test may be performed without a physician's order and without patient or parental consent. For the purpose of this section any toxicology test performed shall be considered medically necessary.

(4) The results of any individual toxicology tests performed pursuant to this section shall remain confidential and shall only be released to the Cabinet for Human Resources. Any results shall be collected and compiled in aggregate form without the name of the hospital, patient, or other means of identifying the individual subject of the test.

(5) No test result obtained pursuant to this section shall be admissible in any court or other hearing as evidence in any proceeding, criminal or civil, against the individual subject of the test.

(6) No hospital shall incur any liability, except for negligence, for performing any test required or authorized under Sections 3 and 4 of this Act or for reporting the result of the test pursuant to any administrative regulation promulgated by the Cabinet for Human Resources under KRS Chapter 13A in accordance with this section.

(7) The cabinet may use any state appropriation and any gifts, grants, or federal funds that become available for the purposes of implementing the provisions of this section.

SECTION 5. A NEW SECTION OF KRS CHAPTER 222 IS CREATED TO READ AS FOLLOWS:

(1) The Cabinet for Human Resources may establish four (4) or more pilot projects within the Commonwealth to demonstrate the effectiveness of different methods of providing community services to prevent alcohol and substance abuse by pregnant females; improving agency coordination to better identify the pregnant substance abuser and other females who have substance abuse problems; linking with community services and treatment for the chemically dependent woman, her children, and other family members; and gaining access to early intervention services for infants in need.

(2) The Cabinet may use any state appropriation and any gifts, grants, or federal funds that become available for the purposes of implementing the provisions of this section.

SECTION 6. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO READ AS FOLLOWS:

The provisions of KRS 205.560 notwithstanding, the Cabinet for Human Resources shall, within the limitations of any federal funds made available under Title XIX of the federal Social Security Act and any appropriation therefor, include substance abuse treatment for pregnant and postpartum alcohol or drug abusing women in its scope of medical care.

SECTION 7. A NEW SECTION OF KRS CHAPTER 222 IS CREATED TO READ AS FOLLOWS:

There is hereby created by state government a Center for Perinatal Substance Exposed Pregnancies for the purpose of working with appropriate professionals and state and local agencies to develop data bases for continued study; provide support services to pilot projects funded under Section 6 of this Act; coordinate and provide training to appropriate professionals; develop protocols for use by state agencies in dealing with substance abuse during pregnancy; work with local substance abuse prevention and treatment councils; and develop a clearinghouse of information for communities and professionals.

Section 8. KRS 218A.990 is amended to read as follows:

(1) Any person who knowingly and unlawfully traffics in or transfers a controlled substance classified in Schedules I or II which is a narcotic drug or which is included in KRS 218A.070(1)(d) shall, for the first offense, be confined in the penitentiary for not less than five (5) years nor more than ten (10) years or be fined not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000), or both, and for each subsequent offense shall be confined in the penitentiary for not less than ten (10) years nor more than twenty (20) years or be fined not less than ten thousand dollars ($10,000) nor more than twenty thousand dollars ($20,000), or both.

(2) (a) Any person who knowingly and unlawfully traffics in a controlled substance classified in Schedules I or II other than a narcotic drug or other than a substance included in KRS 218A.070(1)(d), except marijuana, lysergic acid diethylamide, or phencyclidine, or in any controlled substance classified in Schedule III shall, for the first offense, be confined in the penitentiary for not less than one (1) year nor more than five (5) years or be fined not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both, and for each subsequent offense shall be confined in the penitentiary for not less than five (5) nor more than ten (10) years or be fined not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000), or both.

(b) Any person who knowingly and unlawfully manufactures, sells, or possesses with intent to sell lysergic acid diethylamide or phencyclidine shall, for the first offense, be confined in the penitentiary for not less than five (5) years nor more than ten (10) years or be fined not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000), or both, and for each subsequent offense shall be confined in the penitentiary for not less than ten (10) years nor more than twenty (20) years or be fined not less than ten thousand dollars ($10,000) nor more than twenty thousand dollars ($20,000), or both.

(3) Any person who knowingly and unlawfully traffics in any controlled substance classified in Schedules IV or V or transfers any controlled substance other than a narcotic drug or other than a substance included in KRS 218A.070(1)(d), except marijuana, classified in Schedules I, II, or III shall, for the first offense, be confined in the county jail for not more than one (1) year or be fined not more than five hundred dollars ($500), or both, and for each subsequent offense shall be confined in the penitentiary for not less than one (1) nor more than five (5) years or be fined not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both.

(4) (a) Any person who knowingly and unlawfully manufactures, sells, or possesses with intent to sell less than eight (8) ounces of marijuana shall, for the first offense, be confined in the county jail for not more than one (1) year or be fined not more than five hundred dollars ($500), or both, and for each subsequent

offense, shall be confined in the penitentiary for not less than one (1) year nor more then five (5) years or be fined not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both.

(b) Any person who knowingly and unlawfully manufactures, sells, or possesses with intent to sell eight (8) ounces or more but less than five (5) pounds of marijuana shall be guilty of a Class D felony.

(c) Any person who knowingly and unlawfully manufactures, sells, or possesses with intent to sell five (5) pounds or more of marijuana shall be confined in the penitentiary for not less than five (5) nor more than ten (10) years and be fined not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000).

(d) Any person who knowingly and unlawfully manufactures, sells, or possesses with intent to sell hashish shall be guilty of a Class D felony.

(5) Any person eighteen (18) years of age or older who knowingly and unlawfully sells or transfers any amount of marijuana to any person under eighteen (18) years of age shall, for the first offense, be guilty of a Class D felony and for each subsequent offense shall be guilty of a Class C felony.

(6) (a) Any person who knowingly and unlawfully plants, cultivates, or harvests marijuana for the purposes of sale shall be confined to the penitentiary for not less than one (1) year nor more than five (5) years or be fined not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000) or both.

(b) If any person knowingly and unlawfully plants, cultivates, or harvests five (5) or more plants of marijuana, it shall be presumed that the plants of marijuana were planted, cultivated, or harvested for the purpose of sale.

(c) No owner, occupant, or person having control or management of land on which marijuana has been planted, cultivated, or harvested shall be found guilty of violating the provisions of this subsection, unless the Commonwealth proves that he knew of the planting, cultivating, or harvesting of the marijuana.

(7) Any person who knowingly and unlawfully possesses a controlled substance classified in Schedules I or II which is a narcotic drug or which is included in KRS 218A.070(1)(d) shall, for the first offense, be confined in the penitentiary for not less than one (1) year nor more than five (5) years or be fined not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both and for each subsequent offense shall be confined in the penitentiary for not less than five (5) years nor more than ten (10) years or be fined not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000), or both.

(8) Except as otherwise provided in this subsection, any person who knowingly and unlawfully possesses any controlled substance classified in Schedules I, II, or III which is not a narcotic drug and which is not included in KRS 218A.070(1)(d), except marijuana, lysergic acid diethylamide, or phencyclidine, or of any controlled substance classified in Schedules IV, or V, shall be confined in the county jail for not more than one (1) year or be fined not more than five hundred dollars ($500), or both.

(a) Any person found guilty of possession of any controlled substance pursuant to this subsection shall, for a first offense, be ordered to a facility designated by the secretary of the Cabinet for Human Resources where a program of treatment and rehabilitation not to exceed one (1) year in duration shall be prescribed. The person ordered to the designated facility shall present himself for registration and initiation of a treatment program within five (5) days of the date of sentencing. If, without good cause, the person fails to appear at the designated facility within the specified time, or if, at any time during the program of treatment prescribed, the authorized clinical director of the facility finds that the person is unwilling to participate in his treatment and rehabilitation, the director shall notify the sentencing court. Upon receipt of notification, the court shall cause the person to be brought before it and may continue the order of treatment and rehabilitation, or may order confinement in the county jail for not more than one (1) year or a fine of not more than five hundred dollars ($500), or both. Upon discharge of the person from the facility by the secretary of the Cabinet for Human Resources, or his designee, prior to the expiration of the one-year period or upon satisfactory completion of one (1) year of treatment, the person shall be deemed finally discharged from sentence. The secretary, or his designee, shall notify the sentencing court of the date of [~~such~~] discharge from the facility.

(b) The secretary of the Cabinet for Human Resources, or his designee, shall inform each court of the identity and location of the facility to which ***the*** [~~such~~] person is sentenced.

(c) Transportation to the facility shall be provided by the court when the court finds the person unable to convey himself to the facility within five (5) days of sentencing by reason of physical infirmity or financial incapability.

(d) The sentencing court shall immediately notify the designated facility of the sentence and its effective date.

(e) The secretary of the Cabinet for Human Resources, or his designee, may authorize transfer of the person from the initially designated facility to another facility for therapeutic purposes. The sentencing court shall be notified of termination of treatment by the terminating facility.

(f) Responsibility for payment for treatment services rendered to persons pursuant to this section shall be as under the statutes pertaining to payment of patients and others for services rendered by the Cabinet for Human Resources, unless the person and the facility shall arrange otherwise.

(g) Any person found guilty of a subsequent offense of possession of controlled substances in violation of subsection (8) of this section shall be confined in the county jail for not more than one (1) year or be fined not more than five hundred dollars ($500), or both.

(h) Prior to the imposition of sentence upon conviction of a second or subsequent offense, the court shall obtain a report of case progress and recommendations regarding further treatment from the facility at which the person was treated following his first conviction. If ***the*** [~~such~~] material is not available, the court shall notify the secretary of the Cabinet for Human Resources, and the secretary shall cause the person to be examined by a psychiatrist employed by the cabinet to evaluate his mental condition and to make recommendations regarding treatment and rehabilitation. The psychiatrist making the examination shall submit a written report of his findings and recommendations regarding treatment and rehabilitation to the court, which shall make the report available to the prosecuting attorney and the attorney for the defendant. The court shall take ***the*** [~~such~~] reports into consideration in determining sentence. The secretary may decline to cause ***the*** [~~such~~] examination to be made if the number of psychiatrists on duty in the cabinet is insufficient to spare one from his regular duties or if no [~~such~~] service may be purchased at regular cabinet rates; in ***that*** [~~such~~] event, the secretary shall notify the clerk of the court to that effect within three (3) days after receipt of notification by the court.

(i) For purposes of this section, an offense is considered a second or subsequent offense, if, prior to his conviction of the offense, the offender has at any time been convicted under this chapter or under any statute of the United States or of any state relating to the substances classified as controlled substances.

(j) None of the provisions of this subsection shall be deemed to preclude the court from exercising its usual discretion with regard to ordering probation or conditional discharge.

(k) In the case of any person who has been convicted for the first time of possession of controlled substances, the court may set aside and void the conviction upon satisfactory completion of treatment, probation, or other sentence, and issue to the person a certificate to that effect. A conviction voided under this subsection shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime. Voiding of conviction under this subsection and dismissal may occur only once with respect to any person.

(9) Any person who knowingly and unlawfully possesses for his own use or transfers less than eight (8) ounces of marijuana shall be confined in the county jail for not more than ninety (90) days or be fined not more than two hundred fifty dollars ($250).

(a) Any person found guilty of violating subsection (9) above may be ordered to a facility designated by the secretary of the Cabinet for Human Resources where a program of education, treatment, and rehabilitation not to exceed ninety (90) days in duration shall be prescribed. The person ordered to the designated facility shall present himself for registration and initiation of a treatment program within five (5) days of the date of sentencing. If, without good cause, the person fails to appear at the designated facility within the specified time, or if, any time during the program of treatment prescribed, the authorized clinical director of the facility finds that the person is unwilling to participate in his treatment and rehabilitation, the director shall notify the sentencing court. Upon receipt of notification, the court shall cause the person to be brought before it and may continue the order of treatment and rehabilitation, or may order confinement in the county jail for not more than ninety (90) days or a fine of not more than two hundred fifty dollars ($250), or both. Upon discharge of the person from the facility by the secretary of the Cabinet for Human Resources, or his designee, prior to the expiration of the ninety-day period or upon satisfactory completion of ninety (90) days of treatment, the person shall be deemed finally discharged from sentence. The secretary, or his designee, shall notify the sentencing court of the date of such discharge from the facility.

(b) The secretary of the Cabinet for Human Resources, or his designee, shall inform each court of the identity and location of the facility to which a person sentenced by that court under this chapter shall be initially ordered.

(c) In the case of a person ordered to a facility for treatment and rehabilitation pursuant to this chapter, transportation to the facility shall be provided by the court when the court finds the person unable to convey himself to the facility within five (5) days of sentencing by reason of physical infirmity or financial incapability.

(d) The sentencing court shall immediately notify the designated facility of the sentence and its effective date.

(e) The secretary of the Cabinet for Human Resources, or his designee, may authorize transfer of the person from the initially designated facility to another facility for therapeutic purposes. The sentencing court shall be notified of termination of treatment by the terminating facility.

(f) Responsibility for payment for treatment services rendered to persons pursuant to this section shall be as under the statutes pertaining to payment by patients and others for services rendered by the Cabinet for Human Resources, unless the person and the facility shall arrange otherwise.

(g) None of the provisions of this chapter shall be deemed to preclude the court from exercising its usual discretion with regard to ordering probation or conditional discharge.

(h) In the case of any person who has been convicted of possession of marijuana, the court may set aside and void the conviction upon satisfactory completion of treatment, probation, or other sentence, and issue to the person a certificate to that effect. A conviction voided under this subsection shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime.

(10) Any person who knowingly and unlawfully possesses lysergic acid diethylamide or phencyclidine for his own use shall, for the first offense, be confined in the penitentiary for not less than one (1) year nor more than five (5) years or be fined not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both, and for each subsequent offense shall be confined in the penitentiary for not less than five (5) years nor more than ten (10) years or be fined not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000), or both.

(11) Any person who violates any provision of subsection (3), (4), or (5) of KRS 218A.140 with respect to a controlled substance classified in Schedules I, II, or III shall be guilty of a felony and shall be punished by confinement in the penitentiary for not less than one (1) year nor more than five (5) years, or by a fine of not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both.

(12) Any person who violates any provision of subsection (3), (4), or (5) of KRS 218A.140 with respect to a controlled substance classified in Schedules IV or V shall be guilty of a felony and shall be punished by not less than one (1) year nor more than three (3) years' imprisonment, or by a fine of not less than one thousand dollars ($1,000) nor more than three thousand dollars ($3,000), or both.

(13) Any person who violates subsection (6) of KRS 218A.140 or who violates any other provision of this chapter, for which a specific penalty is not otherwise provided, shall be guilty of a misdemeanor and shall upon conviction be imprisoned for not more than ninety (90) days or fined not more than five hundred dollars ($500), or both.

(14) Any person who violates any of the provisions of KRS 218A.350 shall be guilty of a Class A misdemeanor for the first offense and a Class D felony for subsequent offenses.

(15) Any person who violates any provision of KRS 218A.500(2), (3) or (4) shall be guilty of a Class A misdemeanor.

(16) Any person who unlawfully traffics in a controlled substance classified in Schedules I, II, III, IV or V in any building used primarily for classroom instruction in a school or on any premises located within one thousand (1,000) yards of any school building used primarily for classroom instruction shall be guilty of a felony and shall be punished by confinement in the penitentiary for not less than one (1) nor more than five (5) years, or by a fine of not less than three thousand dollars ($3,000) nor more than five thousand dollars ($5,000), or both, unless a more severe penalty is set forth in this chapter, in which case the higher penalty shall apply. The measurement shall be taken in a straight line from the nearest wall of the school to the place of violation.

(17) Any person who commits a criminal conspiracy, as defined in KRS 506.040, to traffic in a controlled substance shall be subject to the same penalties for trafficking in that controlled substance as specified in this section.

(18) Any person who violates KRS 218A.140, with respect to a controlled substance included in KRS 218A.090(5), shall be confined in the penitentiary for not less than five (5) years nor more than ten (10) years or be fined not less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000), or both.

(19) Any person who traffics in a controlled substance classified in Schedules I, II, III, IV, or V to any person who is pregnant shall be guilty of a felony and shall be punished by confinement in the penitentiary for not less than five (5) years nor more than ten (10) years, or be fined not less than ten thousand dollars ($10,000) nor more than twenty thousand dollars ($20,000), or both. Each violation shall constitute a separate offense.

The Committee Amendment No. 1 to the Committee Substitute to **HB 698** is as follows:

Amend printed copy of **HB 698/HCS** on page 4, lines 4 through 7, by deleting lines 4 through 7 in their entirety; and

By renumbering subsequent subsections to conform.

The Committee on Appropriations and Revenue reported **HB 365**, with Committee Substitute attached thereto, **HB 707** and **HCR 149** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 365, AN ACT relating to expenditures for public safety programs and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 136.392 is amended to read as follows:

(1) (a) Every domestic, foreign, or alien insurer, other than life and health insurers, which is either subject to or exempted from Kentucky premium taxes as levied pursuant to the provisions of either KRS 136.340, 136.350, 136.370, or 136.390, shall charge and collect a surcharge of one dollar and fifty cents ($1.50) upon each one hundred dollars ($100) of premium, assessments, or other charges, except for those municipal premium taxes, made by it for insurance coverage provided to its policyholders, on risk located in this state, whether such charges are designated as premiums, assessments, or otherwise. The premium surcharge shall be collected by the insurer from its policyholders at the same time and in the same manner that its premium or other charge for the insurance coverage is collected. The premium surcharge shall be disclosed to policyholders pursuant to regulations which shall be promulgated by the commissioner of insurance. However, no insurer or its agent shall be entitled to any portion of any premium surcharge as a fee or commission for its collection. On or before the twentieth day of each month, each insurer shall report and remit to the Revenue Cabinet, on such forms as it may require, all premium surcharge moneys collected by it during its preceding monthly accounting period less any such moneys returned to policyholders as applicable to the unearned portion of the premium on policies terminated by either the insured or the insurer. The funds derived from such premium surcharge, except as provided in subsection (2) of this section, shall be deposited in the State Treasury, and shall constitute a fund allocated for the uses and purposes of the [~~Professional~~] Firefighters Foundation Program fund (KRS 95A.220 ***and Section 9 of this Act***) and the Law Enforcement Foundation Program fund (KRS 15.430).

(b) Effective July 1, 1992, the surcharge rate in paragraph (a) this of subsection shall be adjusted by the secretary of revenue to a rate calculated to provide sufficient funds for the uses and purposes of the [~~Professional~~] Firefighters Foundation Program fund as prescribed by KRS 95A.220 and the Law Enforcement Foundation Program fund as prescribed by KRS 15.430 for fiscal year 1992-93 and fiscal year 1993-94. The rate shall be calculated using as its base the number of local government units eligible for participation in the funds under applicable statutes as of January 1, 1990. To allow the secretary of revenue to calculate an appropriate rate, the secretary for the Public Protection and Regulation Cabinet and the secretary for the Justice Cabinet shall certify to the secretary of revenue, no later than January 1, 1992, the estimated budgets for the respective funds specified above, including any surplus moneys in the funds, which shall be incorporated into the consideration of the adjusted rate for the next biennium. As soon as practical thereafter, the secretary of revenue shall advise the commissioner of insurance of the new rate and the commissioner shall inform the affected insurers. The rate adjustment process shall continue on a biennial basis following July 13, 1990.

(2) [~~Insurance premium surcharge funds collected from the policyholders of any domestic mutual company, cooperative or assessment fire insurance company shall be deposited in the State Treasury, and shall be paid monthly by the State Treasurer into the volunteer fire department aid fund as provided in KRS 17.250; provided however, that insurance premium surcharge funds collected from the policyholders of any mutual company,~~

~~cooperative or assessment fire insurance company which transfers its corporate domicile to this state from another state after July 15, 1986, shall continue to be paid into the Professional Firefighters Foundation Program fund and the Law Enforcement Foundation Program fund as prescribed herein.~~

~~(3)~~] Within five (5) days after the end of each month, all insurance premium surcharge proceeds deposited in the State Treasury as set forth in subsection (1) of this section shall be paid by the State Treasurer into the [~~Professional~~] Firefighters Foundation Program fund trust and agency account and the Law Enforcement Foundation Program fund trust and agency account. The amount paid into each account shall be proportionate to each fund's respective share of the total deposits, pursuant to KRS 42.190. Moneys deposited to the Law Enforcement Foundation Program fund trust and agency account shall not be disbursed, expended, encumbered or transferred by any state official for uses and purposes other than those prescribed by KRS 15.410 to 15.500. Money deposited to the [~~Professional~~] Firefighters Foundation Program fund trust and agency account shall not be disbursed, expended, encumbered, or transferred by any state official for uses and purposes other than those prescribed by KRS 95A.200 to 95A.300.

Section 2. KRS 61.316 is amended to read as follows:

(1) "Volunteer firefighter," as used in this section, means any person who is a member of or employed by a volunteer fire department of any county, city, fire district or other organized volunteer fire department operated and maintained on a nonprofit basis in the interest of health and safety of the inhabitants of the Commonwealth.

(2) The spouse of any volunteer firefighter whose death occurs as a direct result of an act in the line of duty shall receive a lump sum payment of twenty-five thousand dollars ($25,000), which sum shall be paid by the State Treasurer from the insurance premium surcharge moneys provided in [~~subsection (2) of~~] KRS 136.392. If there is no surviving spouse, the payment shall be made to the surviving children. If there are no surviving children, the payment shall be made to any dependent parent of the deceased.

(3) The Commission on Fire Protection Personnel Standards and Education shall be authorized to promulgate and adopt regulations establishing procedures and criteria applicable to the administration of this section including, but not limited to, defining when a firefighter dies in line of duty.

Section 3. KRS 95A.210 is amended to read as follows:

As used in KRS 95A.200 to 95A.300, unless the context otherwise requires:

(1) "Commission" means the Commission on Fire Protection Personnel Standards and Education established pursuant to KRS 95A.020.

(2) "Fund" means [~~Professional~~] Firefighters Foundation Program fund.

(3) "Local government" means any city or county, or any combination thereof or urban-county government of the Commonwealth.

(4) "Professional firefighter" means any member of a paid municipal fire department organized under KRS Chapter 95 or a fire protection district organized under KRS Chapter 75, or a county fire department created pursuant to KRS Chapter 67.

Section 4. KRS 95A.220 is amended to read as follows:

(1) There is established the "[~~professional~~] Firefighters Foundation Program fund" consisting of appropriations from the general fund of the Commonwealth of Kentucky, and insurance premium surcharge proceeds and earnings on the investments of those proceeds which accrue to this fund pursuant to KRS 42.190 and 136.392. The fund may also receive any other funds, gifts or grants made available to the state for distribution to local governments ***and volunteer fire departments*** in accordance with the provisions of KRS 95A.200 to 95A.300 ***and Section 9 of this Act.***

(2) All moneys remaining in this fund on July 1, 1982, and deposited thereafter, including earnings from their investment, shall be deemed a trust and agency account, and shall not lapse, and shall be continuously appropriated for the purposes specified in KRS 95A.200 to 95A.300, and shall not be disbursed, expended, encumbered or transferred for any use or purpose other than as prescribed in KRS 95A.200 to 95A.300.

Section 5. KRS 95A.240 is amended to read as follows:

(1) The commission shall administer the fund pursuant to the provisions of KRS 95A.200 to 95A.300 and may issue such reasonable rules and regulations as, in its discretion, will facilitate the administration of the fund and further the purposes of KRS 95A.200 to 95A.300.

(2) The commission shall determine which local governments are eligible to share in the fund and may withhold or terminate payments to any local government that does not comply with the requirements of KRS 95A.200 to 95A.300 or the rules and regulations issued by the commission thereunder.

(3) The commission shall, from the moneys appropriated to and accruing to the fund from any source, reimburse the Department of Housing, Buildings and Construction for salaries and other costs of administering the fund, including, but not limited to the [~~expenses and~~] costs of ***developing and administering tests to certify firefighters for Firefighter I and Firefighter II status as required by KRS 95A.250, to certify fire chiefs as required by Section 9 of this Act, and other costs of*** commission operations. The amount of reimbursement for any given year shall be determined by the commission and shall not exceed five percent (5%) of the total appropriation to the fund for that year.

Section 6. KRS 95A.250 is amended to read as follows:

(1) Beginning July 1, 1982, an eligible local government shall be entitled to receive annually a supplement of two thousand five hundred dollars ($2,500) for each qualified professional firefighter it employs. ***Beginning July 1, 1993, an eligible local government shall be entitled to receive annually a supplement of three thousand ($3,000) for each qualified professional firefighter it employs who has been certified as a Firefighter I by the commission. Beginning July 1, 1994, an eligible local government shall be entitled to receive annually a supplement of three thousand five hundred dollars ($3,500) for each qualified professional firefighter it employs who has been certified as a Firefighter II by the commission. In addition, an eligible local government shall receive***[~~, plus~~] an amount equal to the required employer's contribution on the supplement to the defined benefit pension plan to which the officer belongs, but no more than the required employer's contribution to the County Employees Retirement System hazardous duty category. In the case of County Employees Retirement System membership, the pension contribution on the supplement shall be paid whether the officer enters the system under hazardous duty coverage or nonhazardous coverage. The local unit of government shall pay the amount received for retirement coverage to the appropriate retirement system to cover the required employer contribution on the pay supplement. Should the foundation program funds be insufficient to pay employer contributions to the system, then the total amount available for pension payments shall be prorated to each eligible government so that each receives the same percentage of required pension costs attributable to the cash salary supplement.

(2) Each qualified professional firefighter, whose local government receives a supplement pursuant to subsection (1) of this section, shall be paid by that local government the supplement which his qualifications brought to the local government. The supplement paid each qualified firefighter shall be in addition to his regular salary.

Section 7. KRS 15.460 is amended to read as follows:

(1) Beginning July 1, 1982, an eligible local unit of government shall be entitled to receive annually a supplement of two thousand five hundred dollars ($2,500) for each qualified police officer it employs. ***In addition, an eligible local unit of government shall receive annually an increment of five hundred dollars ($500) for each qualified police office it employs who completes in-service training in excess of that required by KRS 15.440(5), such as the training required by KRS 15.333, OSHA Title 29, Section 1910.120, or KRS 211.960 to 211.968. An eligible local government shall also receive***[~~, plus~~] an amount equal to the required employer's contribution on the supplement ***or increment*** to the defined benefit pension plan to which the officer belongs, but no more than the required employer's contribution to the County Employees Retirement System hazardous duty category. In the case of County Employees Retirement System membership, the pension contribution on the supplement ***or increment*** shall be paid whether the officer enters the system under hazardous duty coverage or nonhazardous coverage. The local unit of government shall pay the amount received for retirement coverage to the appropriate retirement system to cover the required employer contribution on the pay supplement ***or increment***. Should the foundation program funds be insufficient to pay employer contributions to the system, then the total amount available for pension payments shall be prorated to each eligible government so that each receives the same percentage of required pension costs attributable to the cash salary supplement ***or increment***.

(2) Each qualified police officer, whose local government receives a supplement ***or increment*** pursuant to subsection (1) of this section, shall be paid by the local government the supplement ***or increment*** which his qualifications brought to the local government. The supplement ***or increment*** paid each police officer shall be in addition to his regular salary.

Section 8. KRS 42.190 is amended to read as follows:

(1) On June 1, 1982, and then on or before the first day of each December, March, June, and September thereafter, the cabinet shall request in writing of the administrator of the [~~Professional~~] Firefighters Foundation Program fund, which is established by KRS 95A.220, and of the administrator of the Law Enforcement Foundation Program fund, which is established by KRS 15.430, cost projections of their respective funds for the next quarter. Based on these projections, the cabinet shall determine the proportionate share of total insurance premium surcharge proceeds, prescribed in KRS 136.392, to accrue to each fund.

(2) On or before the first day of each quarter, the cabinet shall certify to the State Treasurer a distribution schedule describing the proportionate share of total insurance premium surcharge proceeds accruing to each fund during such quarter, and the State Treasurer shall pay into each fund's trust and agency account its proportionate share of all deposited tax moneys as set forth and in the manner as prescribed in [~~subsections (1) and (3) of~~] KRS 136.392.

(3) Moneys deposited in the [~~Professional~~] Firefighters Foundation Program fund's trust and agency account, and in the Law Enforcement Foundation Program fund's trust and agency account, shall be invested by the state in accordance with state investment practices, and all earnings from such investments shall accrue to, and be paid into the respective account from which such investments are made. All moneys remaining on deposit at the close of the state's fiscal year in the [~~Professional~~] Firefighters Foundation Program fund's trust and agency account and all earnings from investments made from moneys in this account, shall not lapse, and shall be used only for the purposes as specified in KRS 95A.200 to 95A.300. All moneys remaining on deposit at the close of the state's fiscal year in the Law Enforcement Foundation Program fund's trust and agency account, and all earnings from investments made from moneys in this account, shall not lapse, and shall be used only for the purposes as specified in KRS 15.410 to 15.500.

(4) The cabinet shall provide monthly financial reports to the administrator of the [~~Professional~~] Firefighters Foundation Program fund and the administrator of the Law Enforcement Foundation Program fund respecting the amount of funds received and on deposit in each fund and the amount of earnings accruing to each fund from their investment.

Section 9. KRS 17.250 is repealed, reenacted as a new section of KRS Chapter 95A, and amended to read as follows:

(1) ***The Commission on Fire Protection Personnel Standards and Education shall, in cooperation with the Cabinet for Human Resources, develop and implement a continuing program to inoculate every paid and volunteer firefighter in Kentucky against hepatitis B. The program shall be funded from revenues allocated to the Firefighters Foundation Program fund pursuant to KRS 136.392 and 42.190. Any fire department which has inoculated its personnel during the period of July 1, 1991 to the effective date of this Act shall be reimbursed from these revenues for its costs incurred up to the amount allowed by the Cabinet for Human Resources for hepatitis B inoculations*** [~~There is created and established within the Department of Housing, Buildings and Construction a volunteer fire department aid fund consisting of insurance premium surcharge proceeds as provided in subsection (2) of KRS 136.392. All moneys remaining in this fund on July 1, 1982, and deposited thereafter, including earnings from their investment, shall be deemed a trust and agency account, and shall not lapse, and shall be continuously appropriated for the purposes specified herein and in KRS 61.316~~].

(2) Except as provided in subsection (3) of this section and KRS 61.316, the ***Commission on Fire Protection Personnel Standards and Education*** [~~state fire marshal~~] shall allot on an annual basis ***a*** [~~an equal~~] share of the funds accruing to and appropriated for volunteer fire department aid to volunteer fire departments in cities of all classes, fire protection districts organized pursuant to KRS Chapter 75, county districts established under authority of KRS 67.083, and all other organized volunteer fire departments recognized by the Department of Housing, Buildings and Construction as fire departments operated and maintained on a nonprofit basis in the interest of the health, safety, prosperity, and security of the inhabitants of the Commonwealth. ***The commission shall allot four thousand dollars ($4,000) annually to each qualifying department. Beginning July 1, 1993, the commission shall allot an additional one thousand dollars ($1,000) annually, making a total of five thousand dollars ($5,000), to each qualifying department which has at least fifty-one percent (51%) of its firefighters certified as Firefighter I. Beginning July 1, 1994, the commission shall allot an additional one thousand dollars ($1,000) annually, making a total of six thousand dollars ($6,000), to each qualifying department which has at least fifty-one percent (51%) of its firefighters certified as Firefighter II. In addition to other allotments, beginning July 1, 1993, the commission shall allot one thousand dollars ($1,000) to each qualifying department if the chief of the department has, for seventy-five percent (75%) of the reporting period, been a certified fire chief. Any qualifying department which fails to participate satisfactorily in the Kentucky fire incident reporting system as described in KRS 304.13-380 shall forfeit annually five hundred dollars ($500) of its allotment. The commission shall recommend to the commissioner***

of the Department of Housing, Buildings, and Construction the promulgation of administrative regulations in accordance with the provisions of KRS Chapter 13A to define qualifying department, satisfactory participation in the Kentucky fire incident reporting system, Firefighter I and Firefighter II status, and certification of the fire chief. Administrative [~~He shall prescribe~~] regulations [~~and standards~~] for determining ***qualifications*** [~~the amounts to be granted. Such standards~~] shall be based on the number of both paid firefighters and volunteer firemen within a volunteer fire department, the amount of equipment, housing facilities available, and such other matters or standards as will best effect the purposes of the volunteer fire department aid law. No allotment shall exceed the total value of the funds, equipment, lands, and buildings made available to the local fire units from any source whatever for the year in which the allotment is made. A portion of the funds provided for above may be used to purchase group or blanket health insurance and workers' compensation insurance, and the remaining funds shall be distributed as set forth in this section.

(3) There shall be allotted ***five*** [~~two~~] hundred thousand dollars ***($500,000)*** [~~($200,000)~~] of the insurance premium surcharge proceeds accruing to the ***Firefighters Foundation Program*** [~~volunteer fire department aid~~] fund that shall be allocated each fiscal year of the biennium to the firefighters training center fund, which is hereby created and established, for the purposes of constructing new or upgrading existing training centers for firefighters. If any moneys in the training center fund remain uncommitted, unobligated, or unexpended at the close of the first fiscal year of the biennium, then such moneys shall be carried forward to the second fiscal year of the biennium, and shall be reallocated to and for the use of the training center fund, in addition to the second fiscal year's allocation of ***five*** [~~two~~] hundred thousand dollars ***($500,000)*** [~~($200,000)~~]. Prior to funding any project pursuant to this subsection, a proposed project shall be approved by the Commission on Fire Protection Personnel Standards and Education as provided in subsection (4) of this section and shall comply with state laws applicable to capital construction projects.

(4) Applications for funding ***training enhancement grants, low-interest loans, and*** [~~of~~] firefighters training centers shall be submitted to the Commission on Fire Protection Personnel Standards and Education for their recommendation, approval, disapproval, or modification. The commission shall review applications periodically, and shall, subject to funds available, recommend which applications shall be funded and at what levels, together with any terms and conditions the commission deems necessary.

(5) Any department or entity eligible for and receiving funding pursuant to this section shall have a minimum of fifty percent (50%) of its personnel certified as recognized by the Commission on Fire Protection Personnel Standards and Education.

(6) Upon the written request of any department, the Commission on Fire Protection Personnel Standards and Education shall make available a certified training program in a county of which such department is located.

(7) The amount of reimbursement for any given year for costs incurred by the department for administering these funds, including, but not limited to the expenses and costs of commission operations, shall be determined by the commission and shall not exceed five percent (5%) of the total amount of moneys accruing to the ***Firefighters Foundation Program*** [~~volunteer fire department aid~~] fund ***which are allotted for the purposes specified in this section*** during any fiscal year.

(8) The ***commission*** [~~state fire marshal~~] shall withhold from the general distribution of funds under subsection (2) of this section an amount which it deems sufficient to reimburse volunteer fire departments for equipment lost or damaged beyond repair due to hazardous material incidents.

(9) Moneys withheld pursuant to subsection (8) of this section shall be distributed only under the following terms and conditions:

(a) A volunteer fire department has lost or damaged beyond repair items of personal protective clothing or equipment due to that equipment having been lost or damaged as a result of an incident in which a hazardous material (as defined in any state or federal statute or regulation) was the causative agent of the loss;

(b) The volunteer fire department has made application in writing to the ***commission*** [~~state fire marshal~~] for reimbursement in a manner approved by the ***commission*** [~~state fire marshal~~] and the loss and the circumstances thereof have been verified by the ***commission*** [~~state fire marshal~~];

(c) The loss of or damage to the equipment has not been reimbursed by the person responsible for the hazardous materials incident or by any other person;

(d) The ***commission*** [~~state fire marshal~~] has determined that the volunteer fire department does not have the fiscal resources to replace the equipment;

(e) The ***commission*** [~~state fire marshal~~] has determined that the equipment sought to be replaced is immediately necessary to protect the lives of the volunteer firefighters of the fire department;

(f) The fire department has agreed in writing to subrogate all claims for and rights to reimbursement for the lost or damaged equipment to the Commonwealth to the extent that the Commonwealth provides reimbursement to the department; and

(g) The department has shown to the satisfaction of the ***commission*** [~~state fire marshal~~] that it has made reasonable attempts to secure reimbursement for its losses from the person responsible for the hazardous materials incident and has been unsuccessful in the effort.

(10) In the event that a volunteer fire department has met all of the requirements of subsection (9) of this section the ***commission*** [~~state fire marshal~~] may authorize a reimbursement of equipment losses not exceeding ten thousand dollars ($10,000) or the actual amount of the loss, whichever is less.

(11) Moneys which have been withheld during any fiscal year which remain unexpended at the end of the fiscal year shall be distributed in the normal manner required by subsection (2) of this section during the following fiscal year.

(12) No volunteer fire department may receive funding for equipment losses more than once during any fiscal year.

(13) The ***commission*** [~~state fire marshal~~] shall make reasonable efforts to secure reimbursement from the responsible party for any moneys awarded to a fire department pursuant to this section.

(14) There shall be allotted annually three hundred fifty thousand dollars ($350,000) of the insurance premium surcharge proceeds accruing to the Firefighters Foundation Program fund for the purpose of creating a training enhancement request grant fund. The commission shall make grants from this fund, as provided for in subsection (4) of this section, to educational institutions and agencies approved by the commission which will provide educational programs to enhance the professional capabilities of firefighters. If any moneys in the training enhancement grant fund remain uncommitted, unobligated, or unexpended at the close of the first fiscal year of the biennium, then the moneys shall be carried forward to the second fiscal year of the biennium for the purposes of the fund, in addition to the second fiscal year's allotment of three hundred fifty thousand dollars ($350,000).

(15) There shall be allotted each year of the 1992-93 biennium one million dollars ($1,000,000), and each year of the 1994-95 biennium five hundred thousand dollars ($500,000) of the insurance premium surcharge proceeds accruing to the Firefighters Foundation Program fund for the purpose of creating a revolving low-interest loan fund, which shall thereafter be self sufficient and derive its operating revenues from principal and interest payments. The commission, in accordance with the procedures in subsection (4) of this section, may make low-interest loans to volunteer fire departments for the purposes of major equipment purchases and facility construction. Loans shall be made to departments which achieve the training standards necessary to qualify for volunteer fire department aid allotted pursuant to subsection (2) of this section, and which do not have other sources of funds at rates which are favorable given their financial resources. The proceeds of loan payments shall be returned to the loan fund for the purpose of providing future loans. Money in the low-interest loan fund shall be used only for the purposes specified in this subsection. Any funds remaining in the fund at the end of a fiscal year shall be carried forward to the next fiscal year for the purposes of the fund.

Section 10. KRS 61.315 is amended to read as follows:

(1) As used in this section, "police officer" means every paid police officer, sheriff, or deputy sheriff, or any auxiliary police officer appointed pursuant to KRS 95.445, elected to office or employed by any county, airport board created pursuant to KRS Chapter 183 or city or by the state; "firefighter" means every paid firefighter or volunteer firefighter who is employed by or volunteers his services to the state, airport board created pursuant to KRS Chapter 183, or any county, city, fire district or any other organized fire department recognized, pursuant to ***Section 9 of this Act*** [~~KRS 17.250~~], as a fire department operated and maintained on a nonprofit basis in the interest of the health and safety of the inhabitants of the Commonwealth. In the event death benefits are paid under KRS 61.316 to eligible survivors of a volunteer firefighter, then no benefits shall be paid to those survivors under this section.

(2) The spouse of any police officer, sheriff, deputy sheriff, or any auxiliary police officer appointed pursuant to KRS 95.445, or firefighter whose death occurs as a direct result of an act in the line of duty shall receive a lump-sum payment of twenty-five thousand dollars ($25,000), which sum shall be paid by the State Treasurer from the general expenditure fund of the State Treasury. If there is no surviving spouse,

the payment shall be made to the surviving children, eighteen (18) or more years of age. For surviving children less than eighteen (18) years of age, the State Treasurer shall:

(a) Pay ten thousand dollars ($10,000) to the surviving children; and

(b) Hold fifteen thousand dollars ($15,000) in trust divided into equal accounts at appropriate interest rates for each surviving child until such child reaches the age of eighteen (18) years.

If a child dies before reaching the age of eighteen (18) years, his account shall be paid to his estate. If there are no surviving children, the payment shall be made to any parents of the deceased.

(3) The Commission on Fire Protection Personnel Standards and Education shall be authorized to promulgate and adopt regulations establishing criteria and procedures applicable to the administration of this section as it pertains to both paid and volunteer firefighters, including but not limited to defining when a firefighter has died in line of duty.

(4) The Justice Cabinet shall be authorized to promulgate and adopt regulations establishing criteria and procedures applicable to the administration of this section as it pertains to police officers, including but not limited to defining when a police officer has died in line of duty.

(5) The benefits payable under this section are in addition to any benefits now or hereafter prescribed under any police, sheriff or firefighter's retirement or benefit fund established by the state, county, or any municipality.

(6) Any funds appropriated for the purpose of paying the death benefits described in subsection (2) of this section, shall be allotted to a self-insuring account. These funds shall not be used for the purpose of purchasing insurance.

Section 11. KRS 164.2841 is amended to read as follows:

(1) Any person whose parent or any non-married widow or widower whose spouse was a resident of the Commonwealth of Kentucky upon becoming a law enforcement officer, firefighter, or volunteer firefighter and who was killed while in active service or training for active service or who died as a result of a service-connected disability shall not be required to pay any matriculation or tuition fee upon admission to any state-supported university, community college or vocational training institution. The provisions of this subsection shall apply to any firefighter or volunteer firefighter who is killed or dies under the conditions covered in this subsection on October 1, 1989, or thereafter.

(2) In order to obtain the benefits conferred by subsection (1) of this section, the parent-child relationship shall be shown by birth certificate, adoption papers, or other documentary evidence. The spousal relationship shall be shown by a marriage certificate or other documentary evidence. The parent's or spouse's service and the cause of death shall be evidenced by certification from the records of the Kentucky Justice Cabinet, the appropriate city or county law enforcement agency which employed the deceased, the administrative agency for the fire department or fire protection district recognized for funding under ***Section 9 of this Act*** [~~KRS 17.250~~] or the administrative agency having jurisdiction over any paid firefighters of all counties and cities of all classes.

(3) If one so admitted to a state-supported university, community college, or vocational training institution under the provisions of this section shall have obtained a cash scholarship paid or payable to the institution, from whatever source, the amount of the scholarship shall be applied to the credit of the applicant in the payment of incidental expenses of his attendance at the institution, and any balance, if the terms of the scholarship permit, shall be returned to the applicant.

Section 12. KRS 164.2842 is amended to read as follows:

(1) The spouse, regardless of age, and any child of a permanently and totally disabled law enforcement officer, firefighter, or volunteer firefighter injured while in active service or in training for active service, who is over the age of seventeen (17) and under the age of twenty-three (23) shall not be required to pay any matriculation or tuition fee upon his admission to any state-supported university, community college, or vocational training institution for a period not in excess of thirty-six (36) months in order to obtain a diploma, nor in excess of the lesser number of months required for a certificate of completion.

(2) For the spouse or child to be entitled to benefits under this section, the disabled law enforcement officer, firefighter, or volunteer firefighter shall be rated permanently and totally disabled for pension purposes or one hundred percent (100%) disabled for compensation purposes by the Kentucky Justice Cabinet, the

appropriate city or county law enforcement agency which employed the disabled, the administrative agency for the fire department or fire protection district recognized for funding under ***Section 9 of this Act*** [~~KRS 17.250~~] or the administrative agency having jurisdiction over any paid firefighters of all counties and cities of all classes, or if deceased, the claim to benefits is to be based on the rating held by the law enforcement officer, firefighter, or volunteer firefighter at the time of death. The parent's or spouse's service and rating shall be evidenced by certification from the records of the Kentucky Justice Cabinet, the appropriate local law enforcement agency, the administrative agency for the fire department or fire protection district recognized for funding under ***Section 9 of this Act*** [~~KRS 17.250~~] or the administrative agency having jurisdiction over any paid firefighters of all counties and cities of all classes.

(3) In the absence of certification of permanent and total disability by the Kentucky Workers' Compensation Board, the Kentucky Justice Cabinet, the appropriate local law enforcement agency, the administrative agency for the fire department or fire protection district recognized for funding under ***Section 9 of this Act*** [~~KRS 17.250~~] or the administrative agency having jurisdiction over any paid firefighters of all counties and cities of all classes, medical evidence showing permanent and total disability or the existence of permanent and total disability for a period of at least thirty (30) days immediately prior to death may be accepted, if this evidence is signed by a physician licensed to practice or an official of an accredited medical hospital.

(4) The parent-child relationship shall be shown by birth certificate, legal adoption papers or other documentary evidence. The spousal relationship shall be shown by a marriage certificate or other documentary evidence.

(5) To entitle a spouse or child to benefits under this section the disabled law enforcement officer, firefighter, or volunteer firefighter shall have been a resident of the Commonwealth of Kentucky upon becoming a law enforcement officer, firefighter, or volunteer firefighter.

(6) The marriage of an eligible child shall not serve to deny full entitlement to the benefits provided in this section.

Section 13. KRS 278.172 is amended to read as follows:

Every utility which serves a volunteer fire department or other entity eligible for aid under ***Section 9 of this Act*** [~~KRS 17.250~~] shall supply such service at the lowest rate available under its tariffs to customers with comparable consumption amounts, including residential or farm rates.

Section 14. Notwithstanding the provisions of KRS 136.392(1)(a) relating to the uses of insurance premium surcharge funds, seventy thousand dollars ($70,000) of these funds shall be allotted in fiscal year 1992-1993 to the Commission on Fire Protection Personnel Standards and Education for the purpose of conducting a study of the need for and feasibility of establishing a state fire academy. These funds are hereby so appropriated.

The Committee Substitute to **HB 365** is as follows:

HB 365, AN ACT relating to expenditures for public safety programs and making an appropriation therefor.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 136.392 is amended to read as follows:

(1) (a) Every domestic, foreign, or alien insurer, other than life and health insurers, which is either subject to or exempted from Kentucky premium taxes as levied pursuant to the provisions of either KRS 136.340, 136.350, 136.370, or 136.390, shall charge and collect a surcharge of one dollar and fifty cents ($1.50) upon each one hundred dollars ($100) of premium, assessments, or other charges, except for those municipal premium taxes, made by it for insurance coverage provided to its policyholders, on risk located in this state, whether such charges are designated as premiums, assessments, or otherwise. The premium surcharge shall be collected by the insurer from its policyholders at the same time and in the same manner that its premium or other charge for the insurance coverage is collected. The premium surcharge shall be disclosed to policyholders pursuant to regulations which shall be promulgated by the commissioner of insurance. However, no insurer or its agent shall be entitled to any portion of any premium surcharge as a fee or commission for its collection. On or before the twentieth day of each month, each insurer shall report and remit to the Revenue Cabinet, on such forms as it may require, all premium surcharge moneys collected by it during its preceding monthly accounting period less any such moneys returned to policyholders as applicable to the unearned portion of the premium on policies terminated by either the insured or the insurer. The funds derived from such premium surcharge[~~, except as provided in subsection (2) of this section,~~] shall be deposited in the State Treasury, and shall constitute a fund allocated for the uses and purposes of the [~~Professional~~] Firefighters Foundation

Program fund (KRS 95A.220 ***and Section 9 of this Act***) and the Law Enforcement Foundation Program fund (KRS 15.430).

(b) Effective July 1, 1992, the surcharge rate in paragraph (a) this of subsection shall be adjusted by the secretary of revenue to a rate calculated to provide sufficient funds for the uses and purposes of the [~~Professional~~] Firefighters Foundation Program fund as prescribed by KRS 95A.220 and the Law Enforcement Foundation Program fund as prescribed by KRS 15.430 for fiscal year 1992-93 and fiscal year 1993-94. The rate shall be calculated using as its base the number of local government units eligible for participation in the funds under applicable statutes as of January 1, 1990. To allow the secretary of revenue to calculate an appropriate rate, the secretary for the Public Protection and Regulation Cabinet and the secretary for the Justice Cabinet shall certify to the secretary of revenue, no later than January 1, 1992, the estimated budgets for the respective funds specified above, including any surplus moneys in the funds, which shall be incorporated into the consideration of the adjusted rate for the next biennium. As soon as practical thereafter, the secretary of revenue shall advise the commissioner of insurance of the new rate and the commissioner shall inform the affected insurers. The rate adjustment process shall continue on a biennial basis following July 13, 1990.

(2) [~~Insurance premium surcharge funds collected from the policyholders of any domestic mutual company, cooperative or assessment fire insurance company shall be deposited in the State Treasury, and shall be paid monthly by the State Treasurer into the volunteer fire department aid fund as provided in KRS 17.250; provided however, that insurance premium surcharge funds collected from the policyholders of any mutual company, cooperative or assessment fire insurance company which transfers its corporate domicile to this state from another state after July 15, 1986, shall continue to be paid into the Professional Firefighters Foundation Program fund and the Law Enforcement Foundation Program fund as prescribed herein.~~

~~(3)~~] Within five (5) days after the end of each month, all insurance premium surcharge proceeds deposited in the State Treasury as set forth in subsection (1) of this section shall be paid by the State Treasurer into the [~~Professional~~] Firefighters Foundation Program fund trust and agency account and the Law Enforcement Foundation Program fund trust and agency account. The amount paid into each account shall be proportionate to each fund's respective share of the total deposits, pursuant to KRS 42.190. Moneys deposited to the Law Enforcement Foundation Program fund trust and agency account shall not be disbursed, expended, encumbered or transferred by any state official for uses and purposes other than those prescribed by KRS 15.410 to 15.500. Money deposited to the [~~Professional~~] Firefighters Foundation Program fund trust and agency account shall not be disbursed, expended, encumbered, or transferred by any state official for uses and purposes other than those prescribed by KRS 95A.200 to 95A.300.

Section 2. KRS 61.316 is amended to read as follows:

(1) "Volunteer firefighter," as used in this section, means any person who is a member of or employed by a volunteer fire department of any county, city, fire district or other organized volunteer fire department operated and maintained on a nonprofit basis in the interest of health and safety of the inhabitants of the Commonwealth.

(2) The spouse of any volunteer firefighter whose death occurs as a direct result of an act in the line of duty shall receive a lump sum payment of twenty-five thousand dollars ($25,000), which sum shall be paid by the State Treasurer from the insurance premium surcharge moneys provided in [~~subsection (2) of~~] KRS 136.392. If there is no surviving spouse, the payment shall be made to the surviving children. If there are no surviving children, the payment shall be made to any dependent parent of the deceased.

(3) The Commission on Fire Protection Personnel Standards and Education shall be authorized to promulgate and adopt regulations establishing procedures and criteria applicable to the administration of this section including, but not limited to, defining when a firefighter dies in line of duty.

Section 3. KRS 95A.210 is amended to read as follows:

As used in KRS 95A.200 to 95A.300, unless the context otherwise requires:

(1) "Commission" means the Commission on Fire Protection Personnel Standards and Education established pursuant to KRS 95A.020.

(2) "Fund" means [~~Professional~~] Firefighters Foundation Program fund.

(3) "Local government" means any city or county, or any combination thereof or urban-county government of the Commonwealth.

(4) "Professional firefighter" means any member of a paid municipal fire department organized under KRS Chapter 95 or a fire protection district organized under KRS Chapter 75, or a county fire department created pursuant to KRS Chapter 67.

Section 4. KRS 95A.220 is amended to read as follows:

(1) There is established the "[~~professional~~] Firefighters Foundation Program fund" consisting of appropriations from the general fund of the Commonwealth of Kentucky, and insurance premium surcharge proceeds and earnings on the investments of those proceeds which accrue to this fund pursuant to KRS 42.190 and 136.392. The fund may also receive any other funds, gifts or grants made available to the state for distribution to local governments ***and volunteer fire departments*** in accordance with the provisions of KRS 95A.200 to 95A.300 ***and Section 9 of this Act.***

(2) All moneys remaining in this fund on July 1, 1982, and deposited thereafter, including earnings from their investment, shall be deemed a trust and agency account, and shall not lapse, and shall be continuously appropriated for the purposes specified in KRS 95A.200 to 95A.300, and shall not be disbursed, expended, encumbered or transferred for any use or purpose other than as prescribed in KRS 95A.200 to 95A.300.

Section 5. KRS 95A.240 is amended to read as follows:

(1) The commission shall administer the fund pursuant to the provisions of KRS 95A.200 to 95A.300 and may issue such reasonable rules and regulations as, in its discretion, will facilitate the administration of the fund and further the purposes of KRS 95A.200 to 95A.300.

(2) The commission shall determine which local governments are eligible to share in the fund and may withhold or terminate payments to any local government that does not comply with the requirements of KRS 95A.200 to 95A.300 or the rules and regulations issued by the commission thereunder.

(3) The commission shall, from the moneys appropriated to and accruing to the fund from any source, reimburse the Department of Housing, Buildings and Construction for salaries and other costs of administering the fund, including, but not limited to the [~~expenses and~~] costs of ***developing and administering tests to certify firefighters for Firefighter I status as required by KRS 95.250, and other costs of*** commission operations. The amount of reimbursement for any given year shall be determined by the commission and shall not exceed five percent (5%) of the total appropriation to the fund for that year.

Section 6. KRS 95A.250 is amended to read as follows:

(1) Beginning July 1, 1982, an eligible local government shall be entitled to receive annually a supplement of two thousand five hundred dollars ($2,500) for each qualified professional firefighter it employs. ***Beginning July 1, 1993, an eligible local government shall be entitled to receive annually a supplement of two thousand seven hundred fifty dollars ($2,750) for each qualified professional firefighter it employs who has been certified as a Firefighter I by the commission. In addition, an eligible local government shall receive***[~~, plus~~] an amount equal to the required employer's contribution on the supplement to the defined benefit pension plan to which the officer belongs, but no more than the required employer's contribution to the County Employees Retirement System hazardous duty category. In the case of County Employees Retirement System membership, the pension contribution on the supplement shall be paid whether the officer enters the system under hazardous duty coverage or nonhazardous coverage. The local unit of government shall pay the amount received for retirement coverage to the appropriate retirement system to cover the required employer contribution on the pay supplement. Should the foundation program funds be insufficient to pay employer contributions to the system, then the total amount available for pension payments shall be prorated to each eligible government so that each receives the same percentage of required pension costs attributable to the cash salary supplement.

(2) Each qualified professional firefighter, whose local government receives a supplement pursuant to subsection (1) of this section, shall be paid by that local government the supplement which his qualifications brought to the local government. The supplement paid each qualified firefighter shall be in addition to his regular salary.

Section 7. KRS 15.460 is amended to read as follows:

(1) Beginning July 1, 1982, an eligible local unit of government shall be entitled to receive annually a supplement of two thousand five hundred dollars ($2,500) for each qualified police officer it employs. ***In addition, an eligible local unit of government shall receive annually an increment of two hundred fifty dollars ($250) for each qualified police officer it employs who completes in-service training in excess of that required by KRS 15.440(5), such as the training required by KRS 15.333, OSHA Title 29, Section 1910.120, or KRS 211.960 to 211.968. An eligible local government shall also receive***[~~, plus~~] an amount equal to the

required employer's contribution on the supplement ***or increment*** to the defined benefit pension plan to which the officer belongs, but no more than the required employer's contribution to the County Employees Retirement System hazardous duty category. In the case of County Employees Retirement System membership, the pension contribution on the supplement ***or increment*** shall be paid whether the officer enters the system under hazardous duty coverage or nonhazardous coverage. The local unit of government shall pay the amount received for retirement coverage to the appropriate retirement system to cover the required employer contribution on the pay supplement ***or increment***. Should the foundation program funds be insufficient to pay employer contributions to the system, then the total amount available for pension payments shall be prorated to each eligible government so that each receives the same percentage of required pension costs attributable to the cash salary supplement ***or increment***.

(2) Each qualified police officer, whose local government receives a supplement ***or increment*** pursuant to subsection (1) of this section, shall be paid by the local government the supplement ***or increment*** which his qualifications brought to the local government. The supplement ***or increment*** paid each police officer shall be in addition to his regular salary.

Section 8. KRS 42.190 is amended to read as follows:

(1) On June 1, 1982, and then on or before the first day of each December, March, June, and September thereafter, the cabinet shall request in writing of the administrator of the [~~Professional~~] Firefighters Foundation Program fund, which is established by KRS 95A.220, and of the administrator of the Law Enforcement Foundation Program fund, which is established by KRS 15.430, cost projections of their respective funds for the next quarter. Based on these projections, the cabinet shall determine the proportionate share of total insurance premium surcharge proceeds, prescribed in KRS 136.392, to accrue to each fund.

(2) On or before the first day of each quarter, the cabinet shall certify to the State Treasurer a distribution schedule describing the proportionate share of total insurance premium surcharge proceeds accruing to each fund during such quarter, and the State Treasurer shall pay into each fund's trust and agency account its proportionate share of all deposited tax moneys as set forth and in the manner as prescribed in [~~subsections (1) and (3) of~~] KRS 136.392.

(3) Moneys deposited in the [~~Professional~~] Firefighters Foundation Program fund's trust and agency account, and in the Law Enforcement Foundation Program fund's trust and agency account, shall be invested by the state in accordance with state investment practices, and all earnings from such investments shall accrue to, and be paid into the respective account from which such investments are made. All moneys remaining on deposit at the close of the state's fiscal year in the [~~Professional~~] Firefighters Foundation Program fund's trust and agency account and all earnings from investments made from moneys in this account, shall not lapse, and shall be used only for the purposes as specified in KRS 95A.200 to 95A.300. All moneys remaining on deposit at the close of the state's fiscal year in the Law Enforcement Foundation Program fund's trust and agency account, and all earnings from investments made from moneys in this account, shall not lapse, and shall be used only for the purposes as specified in KRS 15.410 to 15.500.

(4) The cabinet shall provide monthly financial reports to the administrator of the [~~Professional~~] Firefighters Foundation Program fund and the administrator of the Law Enforcement Foundation Program fund respecting the amount of funds received and on deposit in each fund and the amount of earnings accruing to each fund from their investment.

Section 9. KRS 17.250 is repealed, reenacted as a new section of KRS Chapter 95A, and amended to read as follows:

(1) ***The Commission on Fire Protection Personnel Standards and Education shall, in cooperation with the Cabinet for Human Resources, develop and implement a continuing program to inoculate every paid and volunteer firefighter in Kentucky against hepatitis B. The program shall be funded from revenues allocated to the Firefighters Foundation Program fund pursuant to KRS 136.392 and 42.190. Any fire department which has inoculated its personnel during the period of July 1, 1991 to the effective date of this Act shall be reimbursed from these revenues for its costs incurred up to the amount allowed by the Cabinet for Human Resources for hepatitis B inoculations*** [~~There is created and established within the Department of Housing, Buildings and Construction a volunteer fire department aid fund consisting of insurance premium surcharge proceeds as provided in subsection (2) of KRS 136.392. All moneys remaining in this fund on July 1, 1982, and deposited thereafter, including earnings from their investment, shall be deemed a trust and agency account, and shall not lapse, and shall be continuously appropriated for the purposes specified herein and in KRS 61.316~~].

(2) Except as provided in subsection (3) of this section and KRS 61.316, the ***Commission on Fire Protection Personnel Standards and Education*** [~~state fire marshal~~] shall allot on an annual basis ***a*** [~~an equal~~] share

of the funds accruing to and appropriated for volunteer fire department aid to volunteer fire departments in cities of all classes, fire protection districts organized pursuant to KRS Chapter 75, county districts established under authority of KRS 67.083, and all other organized volunteer fire departments recognized by the Department of Housing, Buildings and Construction as fire departments operated and maintained on a nonprofit basis in the interest of the health, safety, prosperity, and security of the inhabitants of the Commonwealth. ***The commission shall allot four thousand dollars ($4,000) annually to each qualifying department. Beginning July 1, 1993, the commission shall allot an additional one thousand dollars ($1,000) annually, making a total of five thousand dollars ($5,000), to each qualifying department which has at least fifty-one percent (51%) of its firefighters certified as Firefighter I. Any qualifying department which fails to participate satisfactorily in the Kentucky fire incident reporting system as described in KRS 304.13-380 shall forfeit annually five hundred dollars ($500) of its allotment. The commission shall recommend to the commissioner of the Department of Housing, Buildings, and Construction the promulgation of administrative regulations in accordance with the provisions of KRS Chapter 13A to define qualifying department, satisfactory participation in the Kentucky fire incident reporting system and Firefighter I status. Administrative*** [~~He shall prescribe~~] regulations [~~and standards~~] for determining ***qualifications*** [~~the amounts to be granted. Such standards~~] shall be based on the number of both paid firefighters and volunteer firemen within a volunteer fire department, the amount of equipment, housing facilities available, and such other matters or standards as will best effect the purposes of the volunteer fire department aid law. No allotment shall exceed the total value of the funds, equipment, lands, and buildings made available to the local fire units from any source whatever for the year in which the allotment is made. A portion of the funds provided for above may be used to purchase group or blanket health insurance and workers' compensation insurance, and the remaining funds shall be distributed as set forth in this section.

(3) There shall be allotted ***three*** [~~two~~] hundred thousand dollars ***($300,000)*** [~~($200,000)~~] of the insurance premium surcharge proceeds accruing to the ***Firefighters Foundation Program*** [~~volunteer fire department aid~~] fund that shall be allocated each fiscal year of the biennium to the firefighters training center fund, which is hereby created and established, for the purposes of constructing new or upgrading existing training centers for firefighters. If any moneys in the training center fund remain uncommitted, unobligated, or unexpended at the close of the first fiscal year of the biennium, then such moneys shall be carried forward to the second fiscal year of the biennium, and shall be reallocated to and for the use of the training center fund, in addition to the second fiscal year's allocation of ***three*** [~~two~~] hundred thousand dollars ***($300,000)*** [~~($200,000)~~]. Prior to funding any project pursuant to this subsection, a proposed project shall be approved by the Commission on Fire Protection Personnel Standards and Education as provided in subsection (4) of this section and shall comply with state laws applicable to capital construction projects.

(4) Applications for funding ***training enhancement grants, low-interest loans, and*** [~~of~~] firefighters training centers shall be submitted to the Commission on Fire Protection Personnel Standards and Education for their recommendation, approval, disapproval, or modification. The commission shall review applications periodically, and shall, subject to funds available, recommend which applications shall be funded and at what levels, together with any terms and conditions the commission deems necessary.

(5) Any department or entity eligible for and receiving funding pursuant to this section shall have a minimum of fifty percent (50%) of its personnel certified as recognized by the Commission on Fire Protection Personnel Standards and Education.

(6) Upon the written request of any department, the Commission on Fire Protection Personnel Standards and Education shall make available a certified training program in a county of which such department is located.

(7) The amount of reimbursement for any given year for costs incurred by the department for administering these funds, including, but not limited to the expenses and costs of commission operations, shall be determined by the commission and shall not exceed five percent (5%) of the total amount of moneys accruing to the ***Firefighters Foundation Program*** [~~volunteer fire department aid~~] fund ***which are allotted for the purposes specified in this section*** during any fiscal year.

(8) The ***commission*** [~~state fire marshal~~] shall withhold from the general distribution of funds under subsection (2) of this section an amount which it deems sufficient to reimburse volunteer fire departments for equipment lost or damaged beyond repair due to hazardous material incidents.

(9) Moneys withheld pursuant to subsection (8) of this section shall be distributed only under the following terms and conditions:

(a) A volunteer fire department has lost or damaged beyond repair items of personal protective clothing or equipment due to that equipment having been lost or damaged as a result of an incident in which a hazardous material (as defined in any state or federal statute or regulation) was the causative agent of the loss;

(b) The volunteer fire department has made application in writing to the ***commission*** [~~state fire marshal~~] for reimbursement in a manner approved by the ***commission*** [~~state fire marshal~~] and the loss and the circumstances thereof have been verified by the ***commission*** [~~state fire marshal~~];

(c) The loss of or damage to the equipment has not been reimbursed by the person responsible for the hazardous materials incident or by any other person;

(d) The ***commission*** [~~state fire marshal~~] has determined that the volunteer fire department does not have the fiscal resources to replace the equipment;

(e) The ***commission*** [~~state fire marshal~~] has determined that the equipment sought to be replaced is immediately necessary to protect the lives of the volunteer firefighters of the fire department;

(f) The fire department has agreed in writing to subrogate all claims for and rights to reimbursement for the lost or damaged equipment to the Commonwealth to the extent that the Commonwealth provides reimbursement to the department; and

(g) The department has shown to the satisfaction of the ***commission*** [~~state fire marshal~~] that it has made reasonable attempts to secure reimbursement for its losses from the person responsible for the hazardous materials incident and has been unsuccessful in the effort.

(10) In the event that a volunteer fire department has met all of the requirements of subsection (9) of this section the ***commission*** [~~state fire marshal~~] may authorize a reimbursement of equipment losses not exceeding ten thousand dollars ($10,000) or the actual amount of the loss, whichever is less.

(11) Moneys which have been withheld during any fiscal year which remain unexpended at the end of the fiscal year shall be distributed in the normal manner required by subsection (2) of this section during the following fiscal year.

(12) No volunteer fire department may receive funding for equipment losses more than once during any fiscal year.

(13) The ***commission*** [~~state fire marshal~~] shall make reasonable efforts to secure reimbursement from the responsible party for any moneys awarded to a fire department pursuant to this section.

(14) There shall be allotted annually fifty thousand dollars ($50,000) of the insurance premium surcharge proceeds accruing to the Firefighters Foundation Program fund for the purpose of creating a training enhancement request grant fund. The commission shall make grants from this fund, as provided for in subsection (4) of this section, to educational institutions and agencies approved by the commission which will provide educational programs to enhance the professional capabilities of firefighters. If any moneys in the training enhancement grant fund remain uncommitted, unobligated, or unexpended at the close of the first fiscal year of the biennium, then the moneys shall be carried forward to the second fiscal year of the biennium for the purposes of the fund, in addition to the second fiscal year's allotment of fifty thousand dollars ($50,000).

(15) There shall be allotted each year of the 1992-93 biennium five hundred thousand dollars ($500,000), and each year of the 1994-95 biennium five hundred thousand dollars ($500,000) of the insurance premium surcharge proceeds accruing to the Firefighters Foundation Program fund for the purpose of creating a revolving low-interest loan fund, which shall thereafter be self sufficient and derive its operating revenues from principal and interest payments. The commission, in accordance with the procedures in subsection (4) of this section, may make low-interest loans to volunteer fire departments for the purposes of major equipment purchases and facility construction. Loans shall be made to departments which achieve the training standards necessary to qualify for volunteer fire department aid allotted pursuant to subsection (2) of this section, and which do not have other sources of funds at rates which are favorable given their financial resources. The proceeds of loan payments shall be returned to the loan fund for the purpose of providing future loans. Money in the low-interest loan fund shall be used only for the purposes specified in this subsection. Any funds remaining in the fund at the end of a fiscal year shall be carried forward to the next fiscal year for the purposes of the fund.

Section 10. KRS 61.315 is amended to read as follows:

(1) As used in this section, "police officer" means every paid police officer, sheriff, or deputy sheriff, or any auxiliary police officer appointed pursuant to KRS 95.445, elected to office or employed by any county, airport board created pursuant to KRS Chapter 183 or city or by the state; "firefighter" means every paid firefighter or volunteer firefighter who is employed by or volunteers his services to the state, airport board

created pursuant to KRS Chapter 183, or any county, city, fire district or any other organized fire department recognized, pursuant to ***Section 9 of this Act*** [~~KRS 17.250~~], as a fire department operated and maintained on a nonprofit basis in the interest of the health and safety of the inhabitants of the Commonwealth. In the event death benefits are paid under KRS 61.316 to eligible survivors of a volunteer firefighter, then no benefits shall be paid to those survivors under this section.

(2) The spouse of any police officer, sheriff, deputy sheriff, or any auxiliary police officer appointed pursuant to KRS 95.445, or firefighter whose death occurs as a direct result of an act in the line of duty shall receive a lump-sum payment of twenty-five thousand dollars ($25,000), which sum shall be paid by the State Treasurer from the general expenditure fund of the State Treasury. If there is no surviving spouse, the payment shall be made to the surviving children, eighteen (18) or more years of age. For surviving children less than eighteen (18) years of age, the State Treasurer shall:

(a) Pay ten thousand dollars ($10,000) to the surviving children; and

(b) Hold fifteen thousand dollars ($15,000) in trust divided into equal accounts at appropriate interest rates for each surviving child until such child reaches the age of eighteen (18) years.

If a child dies before reaching the age of eighteen (18) years, his account shall be paid to his estate. If there are no surviving children, the payment shall be made to any parents of the deceased.

(3) The Commission on Fire Protection Personnel Standards and Education shall be authorized to promulgate and adopt regulations establishing criteria and procedures applicable to the administration of this section as it pertains to both paid and volunteer firefighters, including but not limited to defining when a firefighter has died in line of duty.

(4) The Justice Cabinet shall be authorized to promulgate and adopt regulations establishing criteria and procedures applicable to the administration of this section as it pertains to police officers, including but not limited to defining when a police officer has died in line of duty.

(5) The benefits payable under this section are in addition to any benefits now or hereafter prescribed under any police, sheriff or firefighter's retirement or benefit fund established by the state, county, or any municipality.

(6) Any funds appropriated for the purpose of paying the death benefits described in subsection (2) of this section, shall be allotted to a self-insuring account. These funds shall not be used for the purpose of purchasing insurance.

Section 11. KRS 164.2841 is amended to read as follows:

(1) Any person whose parent or any non-married widow or widower whose spouse was a resident of the Commonwealth of Kentucky upon becoming a law enforcement officer, firefighter, or volunteer firefighter and who was killed while in active service or training for active service or who died as a result of a service-connected disability shall not be required to pay any matriculation or tuition fee upon admission to any state-supported university, community college or vocational training institution. The provisions of this subsection shall apply to any firefighter or volunteer firefighter who is killed or dies under the conditions covered in this subsection on October 1, 1989, or thereafter.

(2) In order to obtain the benefits conferred by subsection (1) of this section, the parent-child relationship shall be shown by birth certificate, adoption papers, or other documentary evidence. The spousal relationship shall be shown by a marriage certificate or other documentary evidence. The parent's or spouse's service and the cause of death shall be evidenced by certification from the records of the Kentucky Justice Cabinet, the appropriate city or county law enforcement agency which employed the deceased, the administrative agency for the fire department or fire protection district recognized for funding under ***Section 9 of this Act*** [~~KRS 17.250~~] or the administrative agency having jurisdiction over any paid firefighters of all counties and cities of all classes.

(3) If one so admitted to a state-supported university, community college, or vocational training institution under the provisions of this section shall have obtained a cash scholarship paid or payable to the institution, from whatever source, the amount of the scholarship shall be applied to the credit of the applicant in the payment of incidental expenses of his attendance at the institution, and any balance, if the terms of the scholarship permit, shall be returned to the applicant.

Section 12. KRS 164.2842 is amended to read as follows:

(1) The spouse, regardless of age, and any child of a permanently and totally disabled law enforcement officer, firefighter, or volunteer firefighter injured while in active service or in training for active service, who is over the age of seventeen (17) and under the age of twenty-three (23) shall not be required to pay any matriculation or tuition fee upon his admission to any state-supported university, community college, or vocational training institution for a period not in excess of thirty-six (36) months in order to obtain a diploma, nor in excess of the lesser number of months required for a certificate of completion.

(2) For the spouse or child to be entitled to benefits under this section, the disabled law enforcement officer, firefighter, or volunteer firefighter shall be rated permanently and totally disabled for pension purposes or one hundred percent (100%) disabled for compensation purposes by the Kentucky Justice Cabinet, the appropriate city or county law enforcement agency which employed the disabled, the administrative agency for the fire department or fire protection district recognized for funding under ***Section 9 of this Act*** [~~KRS 17.250~~] or the administrative agency having jurisdiction over any paid firefighters of all counties and cities of all classes, or if deceased, the claim to benefits is to be based on the rating held by the law enforcement officer, firefighter, or volunteer firefighter at the time of death. The parent's or spouse's service and rating shall be evidenced by certification from the records of the Kentucky Justice Cabinet, the appropriate local law enforcement agency, the administrative agency for the fire department or fire protection district recognized for funding under ***Section 9 of this Act*** [~~KRS 17.250~~] or the administrative agency having jurisdiction over any paid firefighters of all counties and cities of all classes.

(3) In the absence of certification of permanent and total disability by the Kentucky Workers' Compensation Board, the Kentucky Justice Cabinet, the appropriate local law enforcement agency, the administrative agency for the fire department or fire protection district recognized for funding under ***Section 9 of this Act*** [~~KRS 17.250~~] or the administrative agency having jurisdiction over any paid firefighters of all counties and cities of all classes, medical evidence showing permanent and total disability or the existence of permanent and total disability for a period of at least thirty (30) days immediately prior to death may be accepted, if this evidence is signed by a physician licensed to practice or an official of an accredited medical hospital.

(4) The parent-child relationship shall be shown by birth certificate, legal adoption papers or other documentary evidence. The spousal relationship shall be shown by a marriage certificate or other documentary evidence.

(5) To entitle a spouse or child to benefits under this section the disabled law enforcement officer, firefighter, or volunteer firefighter shall have been a resident of the Commonwealth of Kentucky upon becoming a law enforcement officer, firefighter, or volunteer firefighter.

(6) The marriage of an eligible child shall not serve to deny full entitlement to the benefits provided in this section.

Section 13. KRS 278.172 is amended to read as follows:

Every utility which serves a volunteer fire department or other entity eligible for aid under ***Section 9 of this Act*** [~~KRS 17.250~~] shall supply such service at the lowest rate available under its tariffs to customers with comparable consumption amounts, including residential or farm rates.

HB 707, AN ACT relating to tax penalties.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 131.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Secretary" means the secretary of revenue.

(2) "Cabinet" means the revenue cabinet.

(3) "Fiduciary" means a guardian, trustee, executor, administrator, receiver, conservator, or any individual or corporation acting in a fiduciary capacity for any other person.

(4) "Taxpayer" means any person ***required or permitted by law or administrative regulation to perform any act subject to the administrative jurisdiction of the cabinet including, but not limited to, the following:***

(a) File a report, return, statement, certification, claim, estimate, declaration, form, or other document;

(b) Furnish any information;

(c) Withhold, collect, or pay any tax, installment, estimate, or other funds;

(d) Secure any license, permit, or other authorization to conduct a business or exercise any privilege, right, or responsibility [~~made liable by law to file a return or pay a tax~~].

(5) "Adjusted prime rate charged by banks" means the average predominant prime rate quoted by commercial banks to large businesses, as determined by the board of governors of the federal reserve system.

(6) "Tax interest rate" means the interest rate determined under KRS 131.183.

(7) "Tax" includes any assessment or license fee administered by the cabinet; however, it shall not include monies withheld or collected by the cabinet pursuant to KRS 131.560 or 160.627.

(8) "Return" or "report" means any properly completed and, if required, signed form, statement, certification, claim estimate, declaration, or other document permitted or required to be submitted or filed with the cabinet, including returns and reports or composites thereof which are permitted or required to be electronically transmitted.

(9) "Reasonable cause" means an event, happening, or circumstance entirely beyond the knowledge or control of a taxpayer who has exercised due care and prudence in the filing of a return or report or the payment of monies due the cabinet pursuant to law or administrative regulation.

(10) "Fraud" means intentional or reckless disregard for the law, administrative regulations, or established policies of the cabinet to evade the filing of any return, report, or the payment of any monies due to the cabinet pursuant to law or administrative regulation.

Section 2. KRS 131.180 is amended to read as follows:

The provisions of this section shall be known as the "Uniform Civil Penalty Act." Penalties to be assessed in accordance with this section shall apply as follows unless otherwise provided by law:

(1) Any taxpayer who files any return or report after the due date prescribed therefor or the due date as extended by the cabinet shall, unless it is shown to the satisfaction of the cabinet that the failure is due to reasonable cause, pay a penalty equal to two percent (2%) of the total tax due for each thirty (30) days or fraction thereof that the report or return is late. The total penalty levied pursuant to this subsection shall not exceed twenty percent (20%) of the total tax due; however, in no case shall the penalty be less than ten dollars ($10).

(2) Any taxpayer who fails to withhold or collect any tax as required by law, fails to pay the tax computed due on a return or report on or before the due date prescribed therefor or the due date as extended by the cabinet or, excluding underpayments determined pursuant to subsections (2) and (3) of KRS 141.990, fails to have timely paid at least seventy-five percent (75%) of the tax determined due by the cabinet shall, unless it is shown to the satisfaction of the cabinet that the failure is due to reasonable cause, pay a penalty equal to two percent (2%) of the tax not withheld, collected or timely paid for each thirty (30) days or fraction thereof that the withholding, collection or payment is late. The total penalty levied pursuant to this subsection shall not exceed twenty percent (20%) of the tax not timely withheld, collected, or paid; however, in no case shall the penalty be less than ten dollars ($10).

(3) Any taxpayer who fails to pay any installment of estimated tax by the time prescribed in KRS 141.044 and 141.305 or who, pursuant to subsections (2) or (3) of KRS 141.990, is determined to have a declaration underpayment shall, unless it is shown to the satisfaction of the cabinet that such failure or underpayment is due to reasonable cause, pay a penalty equal to ten percent (10%) of the amount of such underpayment or late payment; however, in no case shall the penalty be less than twenty-five dollars ($25).

(4) If any taxpayer fails or refuses to make and file a report or return or furnish any information requested in writing by the cabinet, the cabinet may make an estimate of the tax due from any information in its possession, assess the tax at not more than twice the amount estimated to be due and add a penalty equal to five percent (5%) of the tax assessed for each thirty (30) days or fraction thereof that the return or report is not filed. The total penalty levied pursuant to this subsection shall not exceed fifty percent (50%) of the tax assessed; however, in no case shall the penalty be less than twenty-five dollars ($25).

(5) If any taxpayer fails or refuses to pay within forty-five (45) days of the due date any tax assessed by the cabinet, which is not protested in accordance with KRS 131.110, there shall be added a penalty equal to two percent (2%) of the unpaid tax for each thirty (30) days or fraction thereof that the tax is final due and owing but not paid.

(6) Any taxpayer who fails to obtain any identification number, permit, license or, other document of authority from the cabinet within the time required by law shall, unless it is shown to the satisfaction of the cabinet that the failure is due to reasonable cause, pay a penalty equal to ten percent (10%) of any cost or fee required to be paid for such identification number, permit, license, or other document of authority; however, in no case shall the penalty be less than fifty dollars ($50).

(7) If any tax assessed by the cabinet is the result of negligence by a taxpayer or other person, a penalty equal to ten percent (10%) of the tax so assessed shall be paid by the taxpayer or other person who was negligent.

(8) If any tax assessed by the cabinet is the result of fraud committed by the taxpayer or other person, a penalty equal to fifty percent (50%) of the tax so assessed shall be paid by the taxpayer or other person who committed fraud.

(9) If any check tendered to the cabinet is not paid when presented to the drawee bank for payment, there shall be paid as a penalty by the taxpayer who tendered the check, upon notice and demand of the cabinet, an amount equal to ten percent (10%) of the check. The penalty under this section shall not be less than ten dollars ($10) nor more than one hundred dollars ($100). If the taxpayer who tendered the check shows to the cabinet's satisfaction that the failure to honor payment of the check resulted from error by parties other than the taxpayer the cabinet shall waive the penalty.

(10) Any person who fails to make any tax report or return or pay any tax within the time required by law, for which a specific civil penalty is not provided by law, shall pay a penalty ***as provided in this section*** [~~of ten percent (10%) of the tax due~~], with interest from the date due at the tax interest rate as defined in KRS 131.010(6)[~~, or ten dollars ($10) if the penalty and interest is less than this amount. This penalty shall be collected in the manner provided for the assessment and collection of taxes under the particular act involved, or collected in a civil action at the instance of the cabinet. In addition an action may be brought to compel such person to make the report or return~~].

(11) The penalties levied pursuant to subsection (5) of this section shall apply to any tax assessment protested pursuant to KRS 131.110 to the extent that any appeal of the assessment or portion thereof is ruled by the Kentucky Board of Tax Appeals or, if appealed therefrom, the court of last resort, as not protested, appealed, or pursued in good faith by the taxpayer.

(12) Nothing in this section shall be construed to prevent the assessment or collection of more than one of the penalties levied under this section or any other civil or criminal penalty provided for violation of the law for which penalties are imposed.

(13) All penalties levied pursuant to this section shall be assessed, collected, and paid in the same manner as taxes. Any corporate officer or other person who becomes liable for payment of any tax assessed by the cabinet shall likewise be liable for all penalties and interest applicable thereto.

Section 3. KRS 131.445 is amended to read as follows:

(1) After the expiration of the tax amnesty period, the cabinet shall vigorously pursue all civil, administrative and criminal penalties authorized by law for all taxes found to be due the Commonwealth.

(2) [~~Unless otherwise provided by law, the following civil and criminal penalties shall apply to the underpayment of all taxes administered by the cabinet:~~

~~(a) If any part of any deficiency is due to intentional disregard of statutes and regulations but without intent to defraud, five percent (5%) of the total amount of the deficiency, in addition to the deficiency and other penalties provided by law.~~

~~(b) If any part of any deficiency is due to fraud or intent to evade tax, fifty percent (50%) of the total amount of the deficiency, in addition to the deficiency and other penalties provided in this section, shall apply.~~

~~(3)~~] In addition to all other penalties provided under KRS 131.410 to 131.445 and 131.990 and any other law, any taxpayer who willfully fails to make a return or willfully makes a false return, or who willfully fails to pay taxes owing or collected, with intent to evade payment of the tax or amount collected, or any part thereof, shall be guilty of a Class D felony.

[~~(4) A return for the purpose of this section shall mean and include any return, declaration or form prescribed by the cabinet and required to be filed with the cabinet, or required by the administrative regulations of the cabinet or by written request for information to the taxpayer by the cabinet.~~]

Section 4. KRS 136.980 is amended to read as follows:

If any tax imposed by KRS 136.330 to 136.395, 299.530 ***and***[~~,~~] 304.4-030 [~~and 342.450~~], whether assessed by the cabinet, or the taxpayer, or any installment or portion of any tax is not paid on or before the date prescribed for its payment, there shall be collected[~~, as a part of the tax,~~] interest upon the unpaid amount at the tax interest rate as defined in KRS 131.010(6) from the date prescribed for its payment until payment is actually made to the cabinet. [~~If any assessment made by the cabinet is not paid within the time prescribed, or protested in accordance with KRS 131.110, the taxpayer shall pay as a penalty, in addition to the amount of the tax and other applicable penalties, one percent (1%) of the tax for each month the tax remains unpaid.~~]

Section 5. KRS 136.985 is amended to read as follows:

[~~If~~] Any ***person who violates any of the provisions of*** [~~taxpayer fails to make and file a return required by~~] KRS 136.330 to 136.395, 299.530 ***and***[~~,~~] 304.4-030 ***shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180*** [~~and 342.450, on or before the due date of the return or the due date as extended by the cabinet, then, unless it is shown to the satisfaction of the cabinet that the failure is due to reasonable cause, five percent (5%) of the tax found to be due by the cabinet shall be added to the tax for each thirty (30) days or fraction thereof elapsing between the due date of the return and the date on which filed, but the total penalty shall not exceed twenty-five percent (25%) of the tax~~].

Section 6. KRS 136.990 is amended to read as follows:

(1) Any county clerk who fails to comply with the provisions of subsection (2) of KRS 136.020 shall be fined not less than ten dollars ($10) nor more than twenty-five dollars ($25).

(2) Any corporation that fails to pay its taxes, penalty, and interest as provided in subsection (2) of KRS 136.050, after becoming delinquent, shall be fined fifty dollars ($50) for each day the same remains unpaid, to be recovered by indictment or civil action, of which the Franklin Circuit Court shall have jurisdiction.

(3) Any public service corporation, or officer thereof, that willfully fails or refuses to make reports as required by KRS 136.130 and 136.140 shall be fined one thousand dollars ($1,000), and fifty dollars ($50) for each day the reports are not made after April 30 of each year.

(4) Any superintendent of schools or county clerk who fails to report as required by KRS 136.190, or who makes a false report, shall be fined not less than fifty dollars ($50) nor more than one hundred dollars ($100) for each offense.

(5) Any company or association that fails or refuses to return the statement or pay the taxes required by KRS 136.330 or 136.340 shall be fined one thousand dollars ($1,000) for each offense.

(6) Any insurance company that fails or refuses for thirty (30) days to return the statement required by KRS 136.330 or 136.340 and to pay the tax required by KRS 136.330 or 136.340, shall forfeit one hundred dollars ($100) for each offense. The commissioner of insurance shall revoke the authority of the company or its agents to do business in this state, and shall publish the revocation pursuant to KRS Chapter 424.

(7) Any person who violates subsection (3) of KRS 136.390 shall be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500) for each offense.

(8) Where no other penalty is mentioned for failing to do an act required, or for doing an act forbidden by this chapter, the penalty shall be not less than ten dollars ($10) nor more than five hundred dollars ($500).

(9) The Franklin Circuit Court shall have jurisdiction of all prosecutions under subsections (5) to (7) of this section.

(10) [~~If~~] Any ***person who violates any of the provisions of*** [~~taxpayer fails to make or file a return as required by~~] KRS ***136.073 or*** 136.090 ***shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180*** [~~on or before the due date of the return, then, unless it is shown to the satisfaction of the cabinet that the failure is due to reasonable cause, five percent (5%) of the tax found to be due by the cabinet shall be added to the tax for each thirty (30) days or fraction thereof elapsing between the due date of the return and the date on which it was filed, but the total penalty shall not exceed twenty-five percent (25%) of the tax, provided, however, that in no case shall a penalty be less than ten dollars ($10)~~].

(11) If the tax imposed by KRS 136.070 ***or 136.073***, whether assessed by the cabinet or the taxpayer, or any installment or portion of the tax, is not paid on or before the date prescribed for its payment, ***interest*** [~~it~~] shall be collected [~~as a part of the tax, interest~~] upon the nonpaid amount at the tax interest rate as defined in KRS 131.010(6) from the date prescribed for its payment until payment is actually made to the cabinet.

Section 7. KRS 137.180 is amended to read as follows:

(1) Each person engaged in the business of conducting a race track shall, on or before thirty (30) days following the close of each duly licensed race meeting, furnish the Revenue Cabinet a verified report of the number of days on which races were conducted on that race track during the race meeting, together with a statement of its daily mutuel handle for each [~~such~~] day during the [~~said~~] meeting, and at the same time pay to the state the tentatively correct amount of the license tax apparently due it pursuant to KRS 137.170.

(2) On or before December 31 in each year each [~~such~~] person shall file a final report with the Revenue Cabinet giving in summary form a recapitulation of the information furnished by the previous tentative reports filed during the year, computing the final license tax due the state for the year ending November 30 and showing the amount of license tax actually paid during ***the*** [~~such~~] year. Any balance of license tax due the state as shown on ***the*** [~~said~~] final report shall be paid at the same time as the filing thereof. Any overpayment in license tax disclosed by ***the*** [~~said~~] final report shall, at the option of the taxpayer, be promptly refunded by the state or credited against the license tax to be due from the taxpayer in the following year.

(3) Any person who ***violates any provision of this section or KRS 137.170 shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180 and*** [~~fails to pay the tax due in the time specified shall pay a penalty equal to twenty percent (20%) of the amount of tax due and delinquent, together with~~] interest at ***the tax interest rate as defined in KRS 131.010(6) upon the unpaid amount from the date presribed for its payment until payment is actually made to the cabinet*** [~~six percent (6%) per annum on both the original tax and the penalty~~].

Section 8. KRS 136.380 is amended to read as follows:

Any person ***who violates any provision of KRS 137.340 to 137.400 shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180 and*** [~~required to secure a license and to pay a tax under KRS 137.340 to 137.400 who shall fail to secure the license and pay the tax at the time required therein shall pay a penalty of twenty percent (20%) of the amount of the tax due and in addition thereto~~] interest at the tax interest rate as defined in KRS 131.010(6) on the principal amount of the tax during the period in which the tax is due and unpaid.

Section 9. KRS 137.990 is amended to read as follows:

(1) (a) Any person who engages in any business or sells or offers to sell or has on hand for the purpose of sale any article or exercises any privilege for which a license is required or imposed by KRS 137.115 before procuring the license and paying the tax, shall be fined not less than twenty-five dollars ($25) nor more than two hundred dollars ($200) for each offense, unless otherwise specifically provided;

(b) Any county clerk who violates any of the provisions of KRS 137.115, or any reasonable rule or regulation of the Revenue Cabinet thereunder, shall be fined not less than fifty dollars ($50) nor more than one thousand dollars ($1,000) for each offense; and

(c) Any person who makes a false statement in securing a license under KRS 137.115 shall be deemed guilty of a misdemeanor.

(2) (a) Any person ***who violates any provision of KRS 137.120 to 137.160 shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180*** [~~required to register, make reports, or collect and pay taxes under the provisions of KRS 137.120 to 137.160 who fails to pay taxes, penalty and interest after becoming delinquent, or fails for thirty (30) days after the required date to make a report or register, shall pay a penalty of ten percent (10%) on the amount of tax due, and shall pay an additional penalty of five percent (5%) on the first day of each month so long as the tax remains due and unpaid, except the total penalty paid shall not exceed twenty-five percent (25%) of tax due~~]; and

(b) Any person who violates any of the provisions of KRS 137.120 to 137.160 may be fined not less than one hundred dollars ($100) nor more than five hundred dollars ($500) or imprisoned for not less than thirty (30) days nor more than six (6) months, or both.

(3) Any person who violates any of the provisions of KRS 137.170 or 137.180 shall be fined not more than one thousand dollars ($1,000) or imprisoned in the county jail not more than thirty (30) days, or both so fined and imprisoned. If the offender is a corporation, the principal officer or the officer or employee directly responsible for the violation, or both, shall be punished as provided in this subsection.

(4) Whoever violates any of the provisions of KRS 137.340 to 137.400 shall, upon conviction thereof, be fined not less than twenty-five dollars ($25) nor more than five hundred dollars ($500). Whoever attaches or causes to be attached to a coin machine any fictitious evidence of tax payment purported to be issued by the cabinet, or a counterfeit thereof, shall upon conviction thereof be fined not less than one thousand dollars ($1,000), and each separate fictitious counterfeit license stamp or receipt so attached or used on a coin machine shall constitute a separate and distinct offense.

Section 10. KRS 138.185 is amended to read as follows:

[~~If~~] Any person ***who violates any provision of KRS 138.130 to 138.205 shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180 and*** [~~becomes delinquent in the payment of any tax due under KRS 138.130 to 138.205, he shall, in addition to any such tax due, pay a penalty equivalent to twenty percent (20%) of the tax due and delinquent, together with~~] interest at the tax interest rate as defined in KRS 131.010(6) from the date due until the date of payment.

Section 11. KRS 138.290 is amended to read as follows:

[~~(1)~~] ***Any person who violates any provision of KRS 138.240 to 138.260 shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180*** [~~If any dealer neglects or refuses to make any return required by KRS 138.240 or to pay the tax at the time provided, a penalty of twenty percent (20%) thereof~~] and interest at the tax interest rate as defined in KRS 131.010(6) from the date when due shall be paid [~~as a part of the tax. If collected by proceedings in court, an additional penalty of twenty percent (20%) shall be collected and distributed as is authorized by KRS 134.400 and 135.060.~~

~~(2) If any taxpayer subject to the penalty provided in subsection (1) of this section submits in writing to the cabinet, his reasons for failure to comply with KRS 138.240, and if the cabinet finds the reasons evidence of justifiable cause for modifying the penalty provided in subsection (1) of this section, it may modify the penalty exacted therein to five percent (5%) of the amount of the tax due and delinquent, provided that the cabinet may reduce or waive the penalty when in the sole discretion of the cabinet the exaction of the penalties provided above would be inequitable or unjust.~~

~~(3) Any dealer or transporter who fails to make any report or return required under KRS 138.240 or KRS 138.260 within the time required shall pay a penalty of twenty-five dollars ($25) to be assessed and collected in the manner provided for the assessment and collection of taxes under KRS 138.210 to KRS 138.340 inclusive or in a civil action, at the instance of the cabinet. In addition such delinquent may be compelled to make the required report or return~~].

Section 12. KRS 138.490 is amended to read as follows:

(1) Each person engaged in the business of conducting a race track shall furnish the Revenue Cabinet, within thirty (30) days after the end of each race meeting, a report of the number of persons subject to the tax levied in KRS 138.480 who enter the grounds or inclosure during the race meeting. At the same time, the person shall pay to the state the correct amount due by reason of the collection of the tax from persons entering the grounds or inclosure of the race track.

(2) Any person who ***violates any provision of this section of KRS 138.480 shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180 and*** [~~fails to pay the tax due in the time specified in this section shall pay a penalty equal to twenty percent (20%) of the amount of tax due and delinquent, together with~~] interest at the tax interest rate as defined in KRS 131.010(6) [~~on both the original tax and the penalty~~].

Section 13. KRS 138.540 is amended to read as follows:

(1) Any person who violates any provision of KRS 138.510 to 138.530 shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180 and [~~Upon the failure of any person, corporation or association subject to the tax imposed by KRS 138.510 to report and to remit the tax within the time prescribed by the Revenue Cabinet, a penalty equal to twenty percent (20%) of the amount of the tax due and delinquent, together with~~] interest at the tax interest rate as defined in KRS 131.010(6) [~~on both the original tax and the penalty shall be paid. In the event it is necessary to institute legal proceedings for the collection of the tax imposed by KRS 138.510, an additional penalty of twenty percent (20%) shall be paid~~].

Section 14. KRS 139.980 is amended to read as follows:

(1) ***Any person who violates any provision of Chapter 139 shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180 and***[~~If any taxpayer fails or refuses to file a return or furnish any information requested in writing by the cabinet, the cabinet may make an estimate of the tax liability under this chapter from any information in its possession, assess the tax at not more than twice the amount estimated to be due and add a penalty of ten percent (10%) of the amount of the tax assessed. This penalty shall be in addition to all other applicable penalties in this chapter.~~

~~(2) If any taxpayer fails to make and file a return required by this chapter on or before the due date of the return or the due date as extended by the cabinet, then, unless it is shown to the satisfaction of the cabinet that the failure is due to reasonable cause, five percent (5%) of the tax found to be due by the cabinet shall be added to the tax for each thirty (30) days or fraction thereof elapsing between the due date of the return and the date on which filed, but the total penalty shall not exceed twenty-five percent (25%) of the tax, provided, however, that in no case shall the penalty be less than ten dollars ($10).~~

~~(3) If any part of any deficiency is due to negligence, or intentional disregard of rules and regulations but without intent to defraud, five percent (5%) of the total amount of the deficiency, in addition to the deficiency and other penalties provided in this chapter shall apply.~~

~~(4) If the tax imposed by this chapter, whether assessed by the cabinet, or the taxpayer, or any installment or portion of the tax is not paid on or before the date prescribed for its payment, there shall be collected, as a part of the tax,~~] interest upon the unpaid amount at the tax interest rate as defined in KRS 131.010(6) from the date prescribed for its payment until payment is actually made to the cabinet. [~~If any assessment made by the cabinet is not paid within the time prescribed, or protested in accordance with KRS 131.110, the taxpayer shall pay as a penalty, in addition to the amount of the tax and other applicable penalties, one percent (1%) of the tax for each thirty (30) days or fraction thereof the tax remains unpaid, unless it is shown to the satisfaction of the cabinet that the failure was due to reasonable cause.~~

~~(5) Any person required under the provisions of this chapter or regulations adopted thereunder to furnish a statement or certificate (including the certificate referred to in KRS 139.750), who furnishes a statement or certificate containing any false or fraudulent statement, or who willfully fails to furnish such a statement or certificate in the manner and at the time required under this chapter and regulations, shall, for each such failure, be subject to a civil penalty of ten dollars ($10). Such penalty shall be assessed and collected by the cabinet, and the assessment of such penalty may be reviewed only in the manner provided in KRS 131.110.~~

~~(6) If any taxpayer fails to pay the tax imposed by this chapter within the time prescribed, unless it is shown to the satisfaction of the cabinet that the failure was due to reasonable cause, the cabinet may assess a penalty of ten percent (10%) of the tax due, provided, however, that in no case shall the penalty be less than ten dollars ($10).~~]

Section 15. KRS 140.160 is amended to read as follows:

(1) The Revenue Cabinet shall have full supervision of the collection of all taxes due under the provisions of this chapter, including the power to institute suit in this and other states. It may employ attorneys and other persons necessary to carry out the full intent and purpose of this chapter. The cabinet shall furnish, upon application, blank forms covering [~~such~~] information as may be necessary to determine the amount of tax due the state on the transfer of all property subject to tax.

(2) The cabinet may cause personal representatives or beneficiaries to file all statements required by this chapter with the clerks of the proper courts and with the cabinet, and may require them to furnish any additional information deemed necessary to support the computation of the amount of tax that should be paid by the estate. The personal representative shall in every case, when he files his inventory in the District Court, file a duplicate thereof with the cabinet. The personal representative shall compute the taxes imposed by this chapter on the tax return provided by the cabinet. ***The*** [~~Such~~] tax return shall be filed with the cabinet within eighteen (18) months after the death of the decedent or at the time payment of the tax is made pursuant to KRS 140.210.

(3) Except as herein provided, no action to enforce the collection of the tax imposed by this chapter shall be commenced more than ten (10) years after the cause of action first accrued. In case the settlement of an estate is delayed because of litigation or other unavoidable cause, ***the*** [~~as described in subsection (1) of KRS 140.210, such~~] delay shall suspend the limitation, prescribed by this subsection, until the cause of delay is removed. In the case of a fraudulent return or any other fraudulent representation affecting the amount of or the liability for the tax imposed by this chapter notwithstanding any provision of limitation

provided elsewhere, the tax due by reason thereof may at any time be assessed and collected by the methods set out in this chapter, including action in a court of competent jurisdiction.

Section 16. KRS 140.210 is amended to read as follows:

(1) All taxes imposed by this chapter, unless otherwise provided in this chapter, shall be due [~~and payable to the Revenue Cabinet~~] at the death of the decedent ***and shall be payable to the Revenue Cabinet within eighteen (18) months thereafter***. If they are paid within nine (9) months a discount of five percent (5%) shall be allowed, and if they are paid within eighteen (18) months no interest shall be charged and collected thereon. If the taxes due are not paid within eighteen (18) months, ***interest at the tax interest rate as defined in KRS 131.010(6) shall be paid*** [~~a penalty of ten percent (10%) per annum shall be charged and collected from the time the taxes accrued, except in cases where, by reason of claims made upon the estate, necessary litigation, or other unavoidable cause of delay, the estate of the decedent or a part thereof cannot be settled at the end of eighteen (18) months from the death of the decedent. In such cases only eight percent (8%) per annum shall be charged upon the tax~~] from the expiration of said eighteen (18) months until ***payment is actually made to the cabinet*** [~~the cause of the delay is removed~~].

(2) In all cases where the personal representatives or trustees do not pay the taxes within eighteen (18) months from the death of the decedent, they shall be required to give bond in the form and to the effect prescribed by the cabinet, for the payment of the taxes and interest.

SECTION 17. A NEW SECTION OF KRS CHAPTER 140 IS CREATED TO READ AS FOLLOWS:

Any personal representative or other person who violates any of the provisions of KRS Chapter 149 shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180.

Section 18. KRS 141.305 is amended to read as follows:

(1) The estimated tax provided for in KRS 141.300 shall be paid as follows:

(a) If the declaration is filed on or before April 15 of the taxable year, the estimated tax shall be paid in four (4) equal installments. The first installment shall be paid at the time of the filing of the declaration, the second and third on June 15 and September 15, respectively, of the taxable year, and the fourth on January 15 of the succeeding taxable year;

(b) If the declaration is filed after April 15 and not after June 15 of the taxable year and is not required by subsection (3) of KRS 141.300 to be filed on or before April 15 of the taxable year, the estimated tax shall be paid in three (3) equal installments. The first installment shall be paid at the time of the filing of the declaration, the second on September 15 of the taxable year, and the third on January 15 of the succeeding taxable year;

(c) If the declaration is filed after June 15 and not after September 15 of the taxable year and is not required by subsection (3) of KRS 141.300 to be filed on or before June 15 of the taxable year, the estimated tax shall be paid in two (2) equal installments. The first installment shall be paid at the time of the filing of the declaration and the second on January 15 of the succeeding taxable year;

(d) If the declaration is filed after September 15 of the taxable year, and is not required by subsection (3) of KRS 141.300 to be filed on or before September 15 of the taxable year, the declaration shall be filed and estimated tax shall be paid on or before January 15 of the succeeding taxable year;

(e) If the declaration is filed after the time prescribed in KRS 141.300, including cases where extensions of time have been granted, paragraphs (b), (c), and (d) of this subsection shall not apply, and there shall be paid at the time of such filing all installments of estimated tax which would have been payable on or before such time if the declaration has been filed within the time prescribed in subsection (3) of KRS 141.300, and the remaining installments shall be paid at the times at which, and in the amounts in which, they would have been payable if the declaration had been so filed. Provided, that payments required under this section for purposes of the taxable year 1954 shall be limited to fifty percent (50%) of the total estimated tax for 1954.

(2) If any amendment of a declaration is filed, the remaining installments, if any, shall be ratably increased or decreased as the case may be, to reflect the respective increase or decrease in the estimated tax by reason of such amendment, and if any amendment is made after September 15 of the taxable year any increase in the estimated tax by reasons thereof shall be paid at the time of making such amendment.

(3) At the election of the individual, any installment of the estimated tax may be paid prior to the date prescribed for its payment.

(4) Payment of the estimated tax, or any installment thereof shall be considered payment on account of the tax for the taxable year. Assessment in respect of the estimated tax shall be limited to the amount paid.

(5) In the case of an individual whose estimated gross income from farming for the taxable year is at least two-thirds (2/3) of the total estimated gross income from all sources for the taxable year, in lieu of the time prescribed in subsection (3) of KRS 141.300, the declaration for the taxable year may be made at any time on or before January 15 of the succeeding taxable year; and if such an individual files a return on or before March 1 of the succeeding taxable year, and pays in full the amount computed on the return as payable, such return shall have the same effect as that prescribed in subsection (5) of KRS 141.300 in the case of a return filed on or before January 31.

(6) The application of this section ***and***[~~,~~] KRS 141.300[~~, and subsection (9) of KRS 141.990,~~] to taxable years of less than twelve (12) months shall be as prescribed in ***administrative*** regulations promulgated by the cabinet.

(7) In the application of this section and KRS 141.300 to taxpayers reporting income on a fiscal year basis, there shall be substituted for the date specified therein, the months corresponding thereto.

Section 19. KRS 141.990 is amended to read as follows:

(1) [~~If~~] Any ***individual, fiduciary, corporation, employer, or other person who violates any of the provisions of KRS Chapter 141 shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180.*** [~~taxpayer fails or refuses to file a return or furnish any information requested in writing by the cabinet, the cabinet may make an estimate of the net income from any information in its possession, assess the tax at not more than twice the amount estimated to be due and add a penalty of twenty-five percent (25%) of the amount of any deficiency tax assessed concerning the failure or refusal to file a return or furnish any information. This penalty shall be in addition to all other applicable penalties in this section.~~

~~(2) If any taxpayer fails to make and file a return required by this chapter on or before the due date of the return or the due date as extended by the cabinet, then, unless it is shown to the satisfaction of the cabinet that the failure is due to reasonable cause, five percent of the tax found to be due by the cabinet shall be added to the tax for each thirty days or fraction thereof that filing the return is beyond the time prescribed or extended, but the total penalty shall not exceed twenty-five percent (25%) of the tax.~~

~~(3) If any taxpayer fails to pay the tax imposed by this chapter on or before the due date of the return or the due date as extended by the cabinet, unless it is shown to the satisfaction of the cabinet that the failure is due to reasonable cause, there shall be added to the tax found to be due by the cabinet one-half percent (0.5%) of the amount of the tax if the failure is for not more than one (1) month, with an additional one-half percent (0.5%) for each additional month or fraction thereof that payment of the tax is made beyond the time prescribed or extended, but the total penalty shall not exceed twenty-five percent (25%) of the tax.~~

~~(4) If any corporation granted an extension of time to file its income return under the provisions of KRS 141.170(2) fails to pay any remaining balance shown on the return by the extended due date of the return, or fails to pay, prior to the granting of the extension, an amount equal to either:~~

~~(a) The tax shown on the return of the corporation for the preceding taxable year, if a return showing a liability for tax was filed by the corporation for the preceding taxable year and the preceding year was a taxable year of twelve (12) months; or~~

~~(b) Ninety percent (90%) of its liability for the taxable year after the liability is reduced by any estimated tax payments, overpayments from prior years or other prepayments which may be properly claimed as a credit, then, unless it is shown to the satisfaction of the cabinet that the failure is due to reasonable cause, the penalty provided for in subsection (3) of this section shall be imposed from the original due date of the return.~~

~~(5) If any part of any deficiency is due to negligence, or intentional disregard of rules and regulations but without intent to defraud, five percent (5%) of the total amount of the deficiency, in addition to the deficiency and other penalties provided in this section, shall apply.~~

~~(6) If any part of any deficiency is due to fraud with intent to evade tax, fifty percent (50%) of the total amount of the deficiency, in addition to the deficiency and other penalties provided in this section, shall apply.~~

~~(7) Any person required under the provisions of KRS 141.150 or 141.335 to furnish a statement required under that section who willfully furnishes a false or fraudulent statement, or who willfully fails to furnish a statement in the manner at the time and showing the information required under KRS 141.150 and 141.335, may for each such failure be subject to a civil penalty of ten dollars ($10). Such penalty may be assessed and collected by the cabinet, and the assessment of such penalty may be reviewed only in the manner provided in KRS 131.110.~~

~~(8) (a) Any employer required under the provisions of KRS 141.310, 141.315 or 141.330 to withhold taxes on wages, file returns, and make payment of amounts withheld to the cabinet, who fails to withhold such taxes, or to file such returns when due, or who fails to remit amounts collected to the cabinet when due, or when filing the returns understates the amount due shall, unless such failure to comply is shown to the satisfaction of the cabinet to be due to reasonable cause, be subject to a civil penalty equal to five percent (5%) per month or fraction thereof not to exceed twenty-five percent (25%), of the amount of taxes that should have been properly withheld and paid over to the cabinet, or ten dollars ($10), whichever is greater, for each such failure. However, where such failure is shown to be due to reasonable cause the cabinet may reduce the penalty provided herein to an amount equal to five percent (5%) of the amount of taxes that should have been properly withheld and paid over to the cabinet but not to exceed one hundred dollars ($100), or ten dollars ($10), whichever is greater, for each such penalty. Each penalty shall be assessed and collected by the cabinet and the assessment of such penalty may be reviewed only in the manner provided in KRS 131.110. The penalty may be waived if the return and payment are received within thirty (30) days after the due date and the employer has no previous record of late filing or late payment within two (2) years next preceding such due date.~~

~~(b) Any employer required to file a return under the provisions of KRS 141.330(1) when no tax should have been properly withheld, and who fails to file the same when due, shall be subject to a civil penalty of ten dollars ($10) for each violation. Such penalty shall be assessed and collected by the cabinet and the assessment of such penalty may be reviewed only in the manner provided in KRS 131.110. The penalty may be waived if the return is received within thirty (30) days after the due date and the employer has no previous record of late filing within two (2) years next preceding such due date.~~]

(2)[~~(9)~~] Any individual required by KRS 141.300 to file a declaration of estimated tax and required by KRS 141.305 to pay ***the*** [~~such~~] declaration of estimated tax ***shall*** [~~may~~] be subject to a penalty ***as provided in KRS 131.180 for*** [~~of ten percent (10%) of~~] any ***declaration*** underpayment or any late payment. Underpayment, for purposes of this subsection, is determined by subtracting ***declaration*** [~~applicable~~] credits allowed by KRS 141.070, ***declaration installment payments actually made, and credit for tax withheld as allowed by KRS 141.350*** [~~141.300 and 141.310~~] from seventy percent (70%) of the ***total income*** tax liability ***computed by the taxpayer*** as shown on the return ***filed*** for the ***tax*** [~~taxable~~] year. This subsection shall not apply to the ***tax*** [~~taxable~~] year in which the death of the taxpayer occurs nor in the case of a farmer exercising an election under subsection (5) of KRS 141.305.

(3)[~~(10)~~] Any corporation required by KRS 141.042 to file a declaration of estimated tax and required to pay such declaration of estimated tax by the installment method prescribed by subsection (1) of KRS 141.044[~~,~~] ***shall*** [~~may~~] be subject to a penalty ***as provided in KRS 131.180 for*** [~~of ten percent (10%) of~~] any ***declaration*** [~~installment~~] underpayment or any installment not paid on time. ***Declaration*** [~~Installment~~] underpayment***, for purposes of this subsection,*** is [~~the installment~~] determined by ***subtracting five thousand dollars ($5,000) and declaration payments*** [~~subsection (1) of KRS 141.044, less the installment~~] actually ***made from*** [~~paid, based upon~~] seventy percent (70%) of the ***total*** income tax ***liability computed by the taxpayer*** [~~shown to be due~~] on the [~~final~~] return ***filed*** for the ***tax*** year [~~reduced by five thousand dollars ($5,000)~~].

[~~(11) Any penalty imposed by subsections (1), (2), (3), (4), (5), (6), (7), or (8) of this section shall be assessed, collected, and paid in the same manner as if it were a deficiency.~~]

(4)[~~(12)~~] Every tax imposed by this chapter, and all increases, interest and penalties thereon, shall become, from the time it is due and payable, a personal debt to the state from the taxpayer or other person liable therefor.

(5)[~~(13)~~] In addition to the penalties herein prescribed, any taxpayer or employer, who willfully fails to make a return or willfully makes a false return, or who willfully fails to pay taxes owing or collected, with intent to evade payment of the tax or amount collected, or any part thereof, shall upon conviction thereof be fined not less than five hundred dollars ($500) nor more than five thousand dollars ($5,000), or confined in the penitentiary for not less than twelve (12) months or more than five (5) years, or both.

(6)[~~(14)~~] Any person who willfully aids or assists in, or procures, counsels, or advises the preparation or presentation under, or in connection with any matter arising under KRS Chapter 141 of a return, affidavit, claim, or other document, which is fraudulent or is false as to any material matter, whether or not such falsity or fraud is with the knowledge or consent of the person authorized or required to present such return, affidavit, claim, or document, shall be guilty of a felony and, upon conviction thereof, shall be fined not more than five thousand dollars ($5,000), or imprisoned not more than three (3) years, or both, together with the costs of prosecution.

(7)[~~(15)~~] A return for the purpose of this section shall mean and include any return, declaration or form prescribed by the cabinet and required to be filed with the cabinet by the provisions of this chapter, or by the rules and regulations of the cabinet or by written request for information to the taxpayer by the cabinet.

Section 20. KRS 142.010 is amended to read as follows:

(1) The following taxes shall be paid:

(a) A tax of three dollars and fifty cents ($3.50) on each marriage license;

(b) A tax of three dollars ($3) on each power of attorney to convey real or personal property;

(c) A tax of three dollars ($3) on each mortgage, financing statement or security agreement;

(d) A tax of three dollars ($3) on each conveyance of real property; and

(e) A tax of three dollars ($3) on each lien or conveyance of coal, oil, gas or other mineral right or privilege.

(2) The tax imposed by this section shall be collected by each county clerk as a prerequisite to the issuance of a marriage license or the original filing of an instrument subject to the tax. Subsequent assignment of the original instrument shall not be cause for additional taxation under this section. This section shall not be construed to require any tax upon a deed of release of a lien retained in a deed or mortgage.

(3) Taxes imposed under this section shall be reported and paid to the Revenue Cabinet by each county clerk within ten (10) days following the end of the calendar month in which instruments subject to tax are filed or marriage licenses issued. Each remittance shall be accompanied by a summary report on a form prescribed by the cabinet.

(4) Any county clerk ***who violates any of the provisions of this section shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180*** [~~liable for the taxes imposed by this section who fails to file a report and pay the tax to the cabinet on or before the due date shall, unless it is shown to the satisfaction of the cabinet that the failure is due to reasonable cause, pay a penalty equal to ten percent (10%) of the tax due~~]. In every case, any tax not paid on or before the due date shall bear interest at the tax interest rate as defined in KRS 131.010(6) from the date due until the date of payment.

Section 21. KRS 143.070 is amended to read as follows:

(1) ***Any person who violates any of the provisions of Chapter 143 shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180*** [~~If any taxpayer fails to make and file a return required by this chapter on or before the due date of the return or the due date as extended by the cabinet, unless it is shown to the satisfaction of the cabinet that the failure is due to reasonable cause, five (5%) percent of the tax due shall be added to the tax for each thirty days or fraction thereof elapsing between the due date of the return and the date on which filed, with a maximum penalty of twenty-five percent (25%) of the tax due. In no case, however, shall the penalty be less than ten dollars ($10).~~

~~(2) If any part of any deficiency is due to negligence, or intentional disregard of rules and regulations but without intent to defraud, five percent (5%) of the total amount of the deficiency, in addition to the deficiency and other penalties provided in this section, shall apply.~~

~~(3) If any taxpayer fails to pay the tax imposed by this chapter within the time prescribed, unless it is shown to the satisfaction of the cabinet that the failure is due to reasonable cause, the cabinet may assess a penalty of ten percent (10%) of the tax due~~].

Section 22. KRS 143A.990 is amended to read as follows:

(1) ***Any person who violates any of the provisions of Chapter 143A shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180*** [~~If any taxpayer fails or refuses to file a return or furnish any information requested in writing by the cabinet, the cabinet may make an estimate of the tax liability under this chapter from any information in its possession, assess the tax at not more than twice the amount~~

~~estimated to be due and add a penalty of ten percent (10%) of the amount of the tax assessed. This penalty shall be in addition to all other applicable penalties in this section.~~

~~(2) If the taxpayer fails to make and file a return required by KRS 143A.080 on or before the due date of the return or the due date as extended by the cabinet, then, unless it is shown to the satisfaction of the cabinet that the failure is due to reasonable cause, five percent (5%) of the tax found to be due by the cabinet shall be added to the tax for each thirty (30) days or fraction thereof elapsing between the due date of the return and the date on which filed, but the total penalty shall not exceed twenty-five percent (25%) of the tax, provided, however, that in no case shall the penalty be less than ten dollars ($10).~~

~~(3) If any part of any deficiency is due to negligence, or intentional disregard of rules and regulations but without intent to defraud, five percent (5%) of the total amount of the deficiency, in addition to the deficiency and other applicable penalties provided in this section shall apply.~~

~~(4) If any assessment made by the cabinet is not paid within the time prescribed, or protested in accordance with KRS 131.110, the taxpayer shall pay as a penalty, in addition to the amount of the tax and other applicable penalties, one percent (1%) of the tax for each thirty (30) days or fraction thereof the tax remains unpaid.~~

~~(5) If any taxpayer fails to pay the tax imposed by KRS 143A.020 within the time prescribed, unless it is shown to the satisfaction of the cabinet that the failure was due to reasonable cause, the cabinet may assess a penalty of ten percent (10%) of the tax due, provided, however, that in no case shall the penalty be less than ten dollars ($10)~~].

Section 23. KRS 234.420 is amended to read as follows:

(1) ***Any person who violates any provision of KRS 234.370 shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180*** [~~If any liquefied petroleum gas motor fuel dealer neglects or refuses to make the return required by KRS 234.370 or to pay the tax at the time provided, a penalty of twenty percent (20%) thereof~~] and interest at ***the tax interest rate as defined in KRS 131.010(6)*** [~~six percent (6%) per annum from the date when due~~] shall be paid as a part of the tax. [~~If collected by proceedings in court, an additional penalty of twenty percent (20%) shall be collected and distributed as is authorized by KRS 134.400 and 135.060.~~

~~(2) If any taxpayer subject to the penalty provided in subsection (1) of this section submits in writing to the cabinet his reasons for failure to comply with KRS 234.370, and if the cabinet finds the reasons evidence of justifiable cause for modifying the penalty provided in subsection (1) of this section, it may modify the penalty exacted therein to five percent (5%) of the amount of the tax due and delinquent, provided the five percent (5%) penalty may be reduced to a one percent (1%) penalty if the violation is the first violation by the taxpayer within twelve (12) months.~~

~~(3) Any liquefied petroleum gas motor fuel dealer who fails to make any return required under KRS 234.370 within the time required shall pay a penalty of ten dollars ($10) to be assessed and collected in the manner provided for the assessment and collection of taxes under KRS 234.310 to 234.440 or in a civil action initiated by the cabinet. In addition such delinquent taxpayer may be compelled to make the required report or return.~~]

Section 24. KRS 243.990 is amended to read as follows:

(1) Any person who, by himself or acting through another, directly or indirectly, violates any of the provisions of KRS 243.020 to 243.670, for which no other penalty is provided, shall, for the first offense, be fined not less than one hundred ($100) nor more than two hundred dollars ($200), or be imprisoned in the county jail or workhouse for not more than six (6) months, or both; and for the second and each subsequent violation, he shall be fined not less than two hundred ($200) nor more than five hundred dollars ($500), or be imprisoned in the county jail or workhouse for not more than six (6) months, or both. The penalties provided for in this subsection shall be in addition to the revocation of the offender's license.

(2) Any person who, by himself or through another, directly or indirectly, violates subsection (1) of KRS 243.030 shall, for the first offense, be fined not less than one hundred ($100) nor more than two hundred dollars ($200), or be imprisoned in the county jail or workhouse for not more than six (6) months, or both; for the second offense he shall be fined not less than two hundred ($200) nor more than five hundred dollars ($500), or be imprisoned in the county jail or workhouse for not more than six (6) months, or both; and for the third and each subsequent offense, he shall be fined not less than five hundred ($500) nor more than five thousand dollars ($5,000), or be imprisoned in the penitentiary for not more than five (5) years, or both.

(3) Any person who violates subsection (3) of KRS 243.020 shall be fined not less than one hundred ($100) nor more than five hundred dollars ($500).

(4) Any person who violates KRS 243.620 with respect to a license issued under KRS 243.050 shall be fined not less than fifty ($50) nor more than five hundred dollars ($500).

(5) Any person who violates any of the provisions of KRS 243.720 or 243.730 or any regulation issued thereunder shall be fined not less than fifty dollars ($50) nor more than one thousand dollars ($1,000), or be imprisoned for not less than thirty (30) days nor more than one (1) year, or both.

(6) Any person ***who violates any provision of KRS 243.710 to 243.850 shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180*** [~~required to pay any tax or file any report or statement provided by KRS 243.710 to 243.850, who fails to pay the tax or file any report or statement when due shall, unless it is shown to the satisfaction of the cabinet that the failure is due to reasonable cause, pay a penalty of ten dollars ($10) or an amount equal to twenty percent (20%) of the tax due and delinquent, whichever is greater~~].

(7) In every case, any tax imposed by KRS 243.710 to 243.720 which is not paid on or before the due date shall bear interest at the tax interest rate as defined in KRS 131.010(6) from the due date until the date of payment.

Section 25. The following KRS section is repealed:

131.182 Refusal of drawee to honor check.

Section 26. The provisions of this Act shall become effective for all tax returns or reports due on or after August 1, 1992 and all taxes assessed by the cabinet on and after August 1, 1992.

HCR 149, A CONCURRENT RESOLUTION directing the Interim Joint Committee on Appropriations and Revenue to study the various taxes and fees affecting senior citizens in Kentucky.

WHEREAS, the senior citizens of Kentucky have made and continue to make valuable contributions to the social and economic fabric of Kentucky; and

WHEREAS, it is a matter of great concern that many Kentuckians elect to establish residence in another state upon retirement; and

WHEREAS, there is a perception that this exodus from Kentucky stems, at least in part, from Kentucky's system of taxation;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Interim Joint Committee on Appropriations and Revenue is hereby directed to study the various taxes and fees imposed by the Commonwealth of Kentucky that affect senior citizens.

Section 2. That the study shall include, but shall not be limited to the following:

(1) Providing a complete list of taxes and fees imposed by the Commonwealth of Kentucky, its counties, cities and local taxing districts, on senior citizens;

(2) Determining the rationale behind the imposition of the various fees and taxes;

(3) Analyzing the fiscal impact of the imposition of the taxes and fees on senior citizens, including a determination of the following:

(a) The amount of revenue generated by each tax or fee;

(b) The specific use or purpose of the revenue generated by the tax or fee, if the purpose or use is specially designated; and

(c) The cost of administering the various taxes and fees;

(4) Analyzing the economic impact of the imposition of the taxes and fees on senior citizens, including a determination of the following:

(a) The average percentage of gross income utilized by Kentucky's senior citizens to pay taxes or fees imposed by the Commonwealth of Kentucky;

(b) The exemptions available to senior citizens from the various taxes or fees imposed by the Commonwealth of Kentucky, and the requirements to qualify for the exemptions;

(5) Making a comparison of the effect of Kentucky's tax and fee structure on senior citizens in Kentucky with the effect of the tax and fee structures established by surrounding states on senior citizens residing in those states. The comparisons shall include, but shall not be limited to the following:

(a) Estate and gift transfer taxes;

(b) Income taxes with particular emphasis on the taxation of pension income, and the deductibility of federal income taxes paid; and

(c) Property Taxes.

(6) Determining the number of senior citizens that leave Kentucky each year.

(7) Recommending revisions to the current structure of taxation that may help to discourage senior citizens from leaving Kentucky.

Section 3. The Interim Joint Committee on Appropriations and Revenue shall submit a written report of its findings to Legislative Research Commission no later than September 1, 1993.

Section 4. Staff services to be utilized in completing this study are estimated to cost fifteen thousand dollars ($15,000). These staff services shall be provided from the regular Commission budget and are subject to the limitations and other research responsibilities of the Commission.

The Committee on Economic Development reported **HB 812**, with Committee Amendment attached thereto, **HB 821**, **HB 873**, with Committee Amendment attached thereto, and **HCR 170** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 812, AN ACT relating to an economic development program for Kentucky industries.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 11 of this Act, unless the context clearly indicates otherwise:

(1) "Agreement" means an agreement entered into, pursuant to Section 10 of this Act, on behalf of the authority and an approved company with respect to an economic development project;

(2) "Approved company" means any eligible company, approved by the authority pursuant to Section 9 of this Act, requiring an economic development project;

(3) "Approved costs" means:

(a) Obligations incurred for labor and to vendors, contractors, subcontractors, builders, suppliers, deliverymen, and materialmen in connection with the acquisition, construction, rehabilitation, and installation of an economic development project;

(b) The cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of acquisition, construction, rehabilitation, and installation of an economic project which is not paid by the vendor, supplier, deliverymen, contractors, or otherwise else provided;

(c) All costs of architectural and engineering services, including estimates, plans and specifications, preliminary investigations, and supervision of construction, rehabilitation and installation, as well as for the performance of all the duties required by or consequent upon the acquisition, construction, rehabilitation, and installation of an economic development project;

(d) All costs which shall be required to be paid under the terms of any contract for the acquisition, construction, rehabilitation, and installation of an economic development project;

(e) All costs which shall be required for the installation of utilities such as water, sewer, sewer treatment, gas, electricity, communications, railroads, and similar facilities, and including offsite construction of the facilities paid for by the approved company; and

(f) All other costs comparable to those described above;

(4) "Authority" means the Kentucky Industrial Development Authority created by Section 3 of this Act;

(5) "Commonwealth" means the Commonwealth of Kentucky;

(6) "Economic development project" or "project" means and includes the acquisition of any real estate and the construction and installation, of improvements and facilities necessary or desirable for improvement of the real estate, including: surveys, site tests, and inspections; subsurface site work and excavation; removal of structures, roadways, cemeteries, and other site obstructions; filling, grading, provision of drainage, and storm water retention; installation of utilities such as water, sewer, sewage treatment, gas, electricity, communications, and similar facilities; offsite construction of utility extensions to the boundaries of the real estate; and the acquisition and installation of manufacturing facilities on the real estate for the use of the approved company or its affiliates for manufacturing purposes;

(7) "Eligible company" means any corporation, partnership, sole proprietorship, or trust engaged in manufacturing which meets the standards promulgated by the authority pursuant to KRS Chapter 13A;

(8) "Inducement" means the Kentucky income tax credit as set forth in Section 10 of this Act;

(9) "Manufacturing" means any activity involving the manufacturing, processing, assembling, or production of any property, including the processing resulting in a change in the conditions of the property, and any activity functionally related to it, together with storage, warehousing, distribution, and related office facilities; however, "manufacturing" shall not include mining, coal or mineral processing, or extraction of minerals; and

(10) "State agency" shall have the meaning assigned to the term in KRS 56.440(8).

SECTION 2. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

The General Assembly hereby finds and declares that the general welfare and material well-being of the citizens of the Commonwealth depends in large measure upon the development and growth of industry in the Commonwealth, and that it is in the best interest of the Commonwealth to induce the location of manufacturing facilities within the Commonwealth in order to advance the public purposes of relieving unemployment by creating new jobs that would not exist if not for the inducements to be offered by the authority to approved companies, and by creating sources of tax revenues for the support of the public services provided by the Commonwealth, and that the authority prescribed by Sections 2 to 11 of this Act, and the purposes to be accomplished under the provisions of Sections 2 to 11 of this Act, are proper governmental and public purposes for which public moneys may be expended, and that the inducement of the location of manufacturing facilities is of paramount importance, mandating that the provisions of Sections 2 to 11 of this Act be liberally construed and applied in order to advance the public purposes.

SECTION 3. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky Industrial Development Authority is created and established as an agency, instrumentality, and political subdivision of the Commonwealth and a public body corporate and politic with powers and authority to perform essential governmental and public functions and purposes in improving and otherwise promoting the general welfare and material well-being of the people of the Commonwealth by promoting, supporting and approving economic development projects.

(2) The authority shall be governed by a board of directors which shall consist of the board of directors of the Kentucky Rural Economic Development Authority, or its successor, as prescribed in KRS 152.264.

(3) The board of directors shall comply with the provisions of KRS 152.264 in regard to its operations.

SECTION 4. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

The authority shall have all the powers necessary or convenient to carry out the purposes and provisions of Sections 2 to 11 of this Act, including, but not limited to:

(1) Provide for economic development projects pursuant to the provisions of Sections 2 to 11 of this Act, and to cooperate with eligible companies in order to promote, foster, and support economic development within the Commonwealth;

(2) Conduct hearings and inquiries, in the manner and by methods as it deems desirable, including, but not limited to, the appointing of special committees to gather information with respect to eligible companies and economic projects for the purpose of making any determinations necessary or desirable in the furtherance of Sections 2 to 11 of this Act;

(3) Appoint an executive director, who shall be an officer of the authority, to administer the business of the authority as provided in Sections 2 to 11 of this Act, and to delegate to him the rights and powers of the authority required for the proper and desirable execution of the purposes of the authority;

(4) Consent, if it deems necessary or desirable in the fulfillment of its purposes, to the modification of the terms of an agreement of any kind to which the authority is a party;

(5) Promulgate administrative regulations in accordance with KRS Chapter 13A, respecting its programs and purposes;

(6) Make, execute, and give effect to any and all agreements or other documents with any governmental agency or any person, corporation, association, partnership, organization, or entity, necessary or appropriate to accomplish the purposes of Sections 2 to 11 of this Act;

(7) Accept gifts, devises, bequests, grants, loans, appropriations, revenue sharing, other financing and assistance, and any other aid from any source and to agree to, and to comply with, conditions attached thereto;

(8) Sue and be sued in its own name, plead and be impleaded;

(9) Maintain an office in the city of Frankfort and at any other place or places as it may determine;

(10) Adopt an official seal and alter it at its pleasure;

(11) Adopt bylaws for the regulation of its affairs and the conduct of its business;

(12) Employ fiscal consultants, attorneys, appraisers, investment advisors, trustees, other consultants, agents, and employees, and to fix and pay their compensation from funds available to the authority;

(13) Exercise any or all of the general corporate powers of a nonprofit corporation organized under KRS Chapter 273, and not inconsistent with the provisions of Sections 2 to 11 of this Act; and

(14) Include in any agreement the amounts deemed necessary by the authority to pay consultant, advisory and legal fees, and other expenses necessary or incident to the preparation, adoption, implementation, and enforcement of the terms of those agreements, all fees and expenses to be the responsibility of the approved company.

SECTION 5. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

The secretary of the Cabinet for Economic Development shall provide sufficient personnel to serve as staff for the authority in order to permit the authority to adequately discharge its duties and responsibilities prescribed in Sections 2 to 11 of this Act.

SECTION 6. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

No director or officer of the authority shall be subject to any personal liability or accountability by reason of his execution of any obligation duly authorized by the authority.

SECTION 7. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

The authority may accept and expend moneys which may be appropriated from time to time by the General Assembly, or moneys which may be received from any source, including income from the authority's operations, for effectuating its purpose, including, but not limited to, the payment of the expenses of administration and operation.

SECTION 8. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

No director, officer, or employee of the authority shall be interested, directly or indirectly, or shall be an officer or employee of or have an ownership interest in any firm or corporation interested, directly or indirectly, in any contract with the authority.

SECTION 9. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

(1) The authority shall promulgate standards for the determination and approval of eligible companies and their economic development projects in accordance with KRS Chapter 13A.

(2) These standards shall give the greatest weight to the creditworthiness of eligible companies; the number of new jobs to be provided by an economic development project to the residents of the Commonwealth; and the likelihood of the economic success of the economic development project.

(3) No economic development project which will result in the voluntary replacement of manufacturing facilities existing within the Commonwealth shall be approved by the authority; however, the authority may approve an economic development project that rehabilitates a manufacturing facility which has not been in operation for a period of three (3) consecutive months.

(4) With respect to each eligible company making an application to the authority for inducements, and with respect to the economic development project described in the application, the authority shall make inquiries and request materials of the applicant, including, but not limited to, written evidence that except for the receipt of inducements authorized by Sections 2 to 11 of this Act, the eligible company will not locate its economic development project within the Commonwealth.

(5) After a diligent review of the relevant materials and completion of its inquiries, the authority, by resolution of its board of directors, may designate an eligible company to be an approved company and authorize the undertaking of its economic development project.

(6) All meetings of the board of directors of the authority shall be held in accordance with the KRS 61.805 to 61.850. The board of directors of the authority may, pursuant to KRS 61.815, hold closed sessions of its meetings to discuss matters exempt from the open meetings law and pertaining to an eligible company.

SECTION 10. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

(1) The authority, upon adoption of an authorizing resolution, may enter into, with any approved company, a financing agreement with respect to its economic development project. The terms and provisions of each agreement shall be determined by negotiations between the authority and the approved company, except that each agreement shall include the following provisions:

(a) The term of an agreement shall not be longer than the earlier of the following:

1. The maturity of loans or other financing incurred in connection with the economic development project, except that the agreement may be terminated upon the earlier prepayment of loans or other financing incurred in connection with the economic development project; or

2. Ten (10) years from the date of the original agreement.

(b) In consideration for the execution of the agreement, the approved company shall be permitted a credit against Kentucky income tax imposed by KRS 141.020 or 141.040 on the income of the approved company generated by or arising out of the economic development project as determined by KRS 141.347.

(2) The agreement shall provide that:

(a) The Kentucky income tax credit, in any fiscal year, shall not exceed the total debt service paid during the same fiscal year with respect to the loans or other financing incurred in connection with the economic development project; however, to the extent that annual debt service payments exceed the annual income tax credits in any year, the excess debt service payments may be recouped from excess tax credits in succeeding years.

(b) The income tax credited to the approved company shall be credited in the fiscal year of the agreement in which the tax return of the approved company is filed. The approved company shall not be required to pay estimated income tax payments as prescribed under KRS 141.042. Ninety (90) days after the filing of the tax return of the approved company, the Revenue Cabinet shall certify to the authority the income

tax liability for the preceding year of the approved company with respect to an economic development project receiving inducements under the provisions of Sections 2 to 11 of this Act, and the amount of any income tax credits taken pursuant to Sections 2 to 11 of this Act.

(c) The agreement may be assigned by the approved company only upon the prior written consent of the authority following the adoption of a resolution by the authority to that effect.

(d) An approved company shall require of any lender to an approved company funding the loans or other financing incurred in connection with the economic development project, written evidence of all annual debt service to the lender, which evidence shall be provided in writing to the authority within forty-five (45) days following the close of each fiscal year of the financing agreement.

(e) If an approved company fails to comply with its respective obligations under the financing agreement, the lender to an approved company fails to comply with the provisions of subsection 2(d) of this section, or an approved company is declared in default under the loans or other financing incurred in connection with the economic development project, the authority, or any of its assignees, may, at its option:

1. Suspend the availability of the income tax credits;

2. Pursue any remedy provided under the financing agreement, including termination of the agreement; and

3. Pursue any other remedy at law to which it may appear entitled.

(3) All remedies provided in subsection 2(e) of this section shall be deemed cumulative.

Section 11. KRS 141.347 is amended to read as follows:

(1) As used in this section, unless the context requires otherwise:

(a) "Approved company" shall have the same meaning as set forth in Section 1 of this Act and as defined in KRS 152.260;

(b) "Economic development project" shall have the same meaning as economic development project as set forth in Section 1 of this Act and "economic development project" as used in KRS 152.260;

(c) "Tax credit" means the "tax credit" allowed in Section 10 of this Act and "tax credit" or otherwise in KRS 152.278.

(2) An approved company shall determine the income tax credit as provided in this section.

(3) An approved company which is an individual sole proprietorship or a corporation shall:

(a) Compute the income tax due at the applicable tax rates as provided by KRS 141.020 or 141.040, on net income as defined by KRS 141.010(11), or taxable net income as defined by KRS 141.010(14), including income from an economic development project;

(b) Compute the income tax due at the applicable tax rates as provided by KRS 141.020 or 141.040, on net income as defined by KRS 141.010(11) or taxable net income as defined by KRS 141.010(14), excluding net income attributable to an economic development project; and

(c) The tax credit shall be the amount by which the tax computed under paragraph (a) of this subsection exceeds the tax computed under paragraph (b) of this subsection; however, the credit shall not exceed the limits set forth in Section 10 of this Act, or the limits set forth in KRS 152.278, if the project is approved under KRS 152.260 to 152.298.

(4) Notwithstanding any other provisions of this chapter, an approved company which is an S-corporation, partnership, or trust shall be subject to income tax on the net income attributable to an economic development project at the rates provided in KRS 141.020(2), and the tax credit may be equal to the amount of the tax computed in this section subject to the limits set forth in Section 10 of this Act, or the limits set forth in KRS 152.278 if the project is approved under KRS 152.260 to 152.298. If the tax computed in this section exceeds the credit, the excess shall be paid by the S-corporation, partnership, or trust at the times provided by KRS 141.160 and 141.206 for filing the returns.

(5) Notwithstanding any other provisions of this chapter, the net income subject to tax under subsection (3) of this section shall be excluded in determining the individual shareholder's, partner's, or beneficiaries' distributive share of net of an S-corporation, partnership, or trust [~~State income tax that would otherwise be owed by the corporation to the Commonwealth, except for KRS 152.278(3)(a), by an approved company on the income generated or arising from an approved company operation or activity as an economic development project, shall be determined as follows:~~

~~(1) A corporation which is an approved company subject to income tax under KRS 141.040 shall compute the income tax due pursuant to KRS 141.010(13) to 141.010(14) including net income from the economic development project, subject to the applicable tax rate on taxable income.~~

~~(2) The corporation shall then compute the net income of the approved company as defined in subsection (1)(a) of this section excluding the net income from the economic development project subject to the applicable tax rate on taxable income.~~

~~(3) The difference between the tax computed in subsections (1) and (2) of this section equals the income tax to be permitted to be applied as a credit by an approved company toward income tax owed, such credit not to exceed the total debt service under the respective financing agreement~~].

(6)[~~(4)~~] ***If the economic development project is a totally separate facility,*** net income ***attributable to the project for the purposes of subsections (3), (4), and (5)*** [~~excluded from taxable income in computing the tax due under subsection (2)~~] of this section shall be determined under ***the*** [~~a~~] separate accounting method reflecting only the gross income, deductions, expenses, gains, and ***losses*** [~~credits~~] allowed under KRS Chapter 141 ***directly attributable to the facility and overhead expenses apportioned to the facility***.

(7) If the economic development project is an expansion to a previously existing facility, net income attributable to the entire facility shall be determined under the separate accounting method reflecting only the gross income, deductions, expenses, gains, and losses allowed under KRS Chapter 141 directly attributable to the facility and overhead expenses apportioned to the facility, and the net income attributable to the economic development project for the purposes of subsections (3), (4), and (5) of this section shall be determined by apportioning the separate accounting net income of the entire facility to the economic development project by a formula approved by the Revenue Cabinet.

(8) If an approved company can show to the satisfaction of the Revenue Cabinet that the nature of the operations and activities of the approved company are such that it is not practical to use the separate accounting method to determine the net income from the facility at which the economic development project is located, the approved company shall determine net income from the economic development project using an alternative method approved by the Revenue Cabinet.

(9)[~~(5)~~] The Revenue Cabinet may issue administrative regulations and require the filing of forms designed by the Revenue Cabinet to reflect the intent of KRS 152.262 to 152.298 ***and Sections 1 to 11 of this Act*** and the allowable income tax ***credit*** which an approved company may retain under KRS 152.262 to 152.298 ***and Sections 1 to 11 of this Act.***

Section 12. KRS 152.260 is amended to read as follows:

The following words and terms, unless the context clearly indicates a different meaning, shall have the following [~~respective~~] meanings:

(1) "Approved company" means any eligible company seeking to locate an economic development project in a qualified county, which eligible company is approved by the authority pursuant to KRS 152.262 to 152.298.

(2) "Approved costs" means:

(a) Obligations incurred for labor and to contractors, subcontractors, builders, and materialmen in connection with the acquisition, construction, [~~and~~] installation ***equipping, and rehabilitation*** of an economic development project;

(b) The cost of acquiring land or rights in land and any cost incidental thereto, including recording fees;

(c) The cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of acquisition, construction, [~~and~~] installation, ***equipping, and rehabilitation*** of an economic development project which is not paid by the contractor or contractors or otherwise provided for;

(d) All costs of architectural and engineering services, including test borings, surveys, estimates, plans and specifications, preliminary investigations, and supervision of construction, as well as for the performance of all the duties required by or consequent upon the acquisition, construction, [~~and~~] installation***, equipping, and rehabilitation*** of an economic development project;

(e) All costs which shall be required to be paid under the terms of any contract or contracts for the acquisition, construction, [~~and~~] installation***, equipping, and rehabilitation*** of an economic development project; and

(f) All other costs of a nature comparable to those described above.

(3) "Assessment" means the job development assessment fee authorized by KRS 152.262 to 152.298.

(4) "Authority" means the Kentucky Rural Economic Development Authority created by KRS 152.262 to 152.298.

(5) "Bonds" means the revenue bonds, notes, or other debt obligations of the authority authorized to be issued by the authority, eligible companies, or other state agency.

(6) "Commonwealth" means the Commonwealth of Kentucky.

(7) "Economic development project" means and includes the acquisition of any real estate in a qualified county and the construction***,*** [~~and~~] installation***, equipping, and rehabilitation*** [~~thereon, and with respect thereto,~~] of improvements***, including fixtures and equipment,*** and facilities necessary or desirable for improvement of the real estate, including surveys; site tests and inspections; subsurface site work; excavation; removal of structures, roadways, cemeteries, and other surface obstructions; filling, grading, and provision of drainage, storm water ***retention*** [~~detention~~], installation of utilities such as water, sewer, sewage treatment, gas, electricity, communications, and similar facilities; off-site construction of utility extensions to the boundaries of the real estate; and the acquisition***,*** [~~and~~] installation***, equipping, and rehabilitation*** of manufacturing facilities on the real estate, for lease by the authority to an approved company for use and occupancy by the approved company or its affiliates for manufacturing purposes.

(8) "Eligible company" means any corporation, partnership, sole proprietorship, ***or*** business trust[~~, or other entity~~] engaged in manufacturing which meets the standards promulgated by the authority pursuant to KRS 152.262 to 152.298.

(9) "Financing agreement" means any agreement entered into, pursuant to KRS 152.262 to 152.298, on behalf of the authority or other lenders***,*** or both***,*** and an approved company with respect to an economic development project.

(10) "Manufacturing" means any activity involving the manufacturing, processing, assembling, or production of any property, including the processing resulting in a change in the conditions of the property and any activity [~~functionally~~] related ***to it*** [~~thereto~~], together with the storage, warehousing, distribution, and related office facilities [~~in respect thereof~~]; however, [~~in no event shall~~] "manufacturing" ***shall not*** include mining, coal or mineral processing, or extraction of minerals.

(11) "Qualified county" means any county certified as such by the authority pursuant to KRS 152.262 to 152.298.

(12) "State agency" shall have the meaning assigned to the term in KRS 56.440(8).

(13) "Revenues" shall not be considered state funds.

Section 13. KRS 152.276 is amended to read as follows:

(1) Each year the authority shall, on the basis of the final unemployment figures calculated by the department of employment services within the cabinet for human resources, determine which counties have had a countywide rate of unemployment exceeding the statewide unemployment rate of the Commonwealth in [~~four (4) of~~] the most recent five (5) consecutive ***calendar*** years and shall certify those counties as qualified counties. [~~Any county with a population of nine thousand (9,000) or less, according to the annual population figure calculated by the U.S. Bureau of the Census, may also be certified as a qualified county by the authority, regardless of the county's annual unemployment.~~] If the authority determines that a county which has previously been certified as a qualified county no longer has an unemployment rate above the state average, [~~then~~] the authority shall decertify that county. The authority shall not finance any facilities in that county and an approved company shall not be eligible for the incentives offered by KRS 152.262 to 152.298 unless the financing agreements required herein are entered into by all parties within one (1) year after the date of the decertification.

(2) ***Notwithstanding subsection (1) of KRS 152.276, on a one-time basis, after the effective date of this Act, the authority shall, on the basis of the final unemployment rates for calendar years 1987-1991 calculated by the Department of Employment Services within the Cabinet for Human Resources, determine which counties have a countywide rate of unemployment exceeding the statewide unemployment rate of the Commonwealth in the most recent five (5) consecutive calendar years and shall certify those counties as qualified counties. Any county previously certified as a qualified county by the authority which no longer has an unemployment rate above the state average for the indicated period shall lose that certification and longer be qualified. If a company is approved prior to the effective date of this Act, the loss of certification as a qualified county by a county as the result of actions taken by the authority in accordance with the provisions of this subsection, shall not be construed as prohibiting the approved company from being eligible for incentives provided under KRS 152.262 to 152.298, unless the required financing agreements are entered into by all parties within one (1) year after the date of the loss of certification by the county.***

(3) The authority shall promulgate standards for the determination and approval of eligible companies and their economic development projects. These standards shall give greatest weight to the creditworthiness of eligible companies; the number of new jobs to be provided by an economic development project to residents of the Commonwealth; and the likelihood of the economic success of the economic development project. No economic development project which will ***result in the voluntary replacement of*** [~~replace~~] manufacturing facilities existing in the state shall be approved by the authority***; however, the authority may approve an economic development project that rehabilitates a manufacturing facility which has not been in operation for a period of three (3) or more consecutive months***. With respect to each eligible company making an application to the authority for inducements, and with respect to the economic development project described in the application, the authority shall request materials and make inquiries of the applicant as necessary or appropriate. After a diligent review of relevant materials and completion of its inquiries, the authority may, by resolution of its board of directors, designate an eligible company to be an approved company and authorize the undertaking of its economic development project in the qualified county.

The Committee Amendment No. 1 to **HB** 812 is as follows:

Amend printed copy of **HB** 812 on page 11, line 17, by deleting "***KRS 141.347***" and by inserting in lieu thereof "***Section 11 of this Act***";

On page 13, by deleting lines 16 through 26, and inserting in lieu thereof the following:

"SECTION 11. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, unless the context requires otherwise:

(a) "Approved company" shall have the same meaning as set forth in Section 1 of this Act;

(b) "Economic development project" shall have the same meaning as set forth in Section 1 of this Act; and

(c) "Tax credit" means the "tax credit" allowed in Section 10 of this Act.

(2) An approved company shall determine the income tax credit as provided in this section.

(3) An approved company which is an individual sole proprietorship subject to tax under KRS 141.020 or a corporation subject to tax under KRS 141.040(1) shall:

(a) Compute the income tax due at the applicable tax rates as provided by KRS 141.020 or 141.040, on net income as defined by KRS 141.010(11), or taxable net income as defined by KRS 141.010(14), including income from an economic development project;

(b) Compute the income tax due at the applicable tax rates as provided by KRS 141.020 or 141.040, on net income as defined by KRS 141.010(11) or taxable net income as defined by KRS 141.010(14), excluding net income attributable to an economic development project; and

(c) The tax credit shall be the amount by which the tax computed under paragraph (a) of this subsection exceeds the tax computed under paragraph (b) of this subsection; however, the credit shall not exceed the limits set forth in Sections 10 of this Act.

(4) Notwithstanding any other provisions of this chapter, an approved company which is an S-corporation, partnership, or trust shall be subject to income tax on the net income attributable to an economic development project at the rates provided in KRS 141.020(2), and the amount of the tax credit shall be

the same as the amount of the tax computed in this subsection; however, the credit shall not exceed the limits set forth in Section 10 of this Act. If the tax computed in this section exceeds the credit, the excess shall be paid by the S-corporation, partnership, or trust at the times provided by KRS 141.160 for filing the returns.

(5) Notwithstanding any other provisions of this chapter, the net income subject to tax and the tax credit determined under subsection (4) of this section shall be excluded in determining each shareholder's, partner's, or beneficiaries' distributive share of net income or credit of an S-corporation, partnership, or trust.

(6) If the economic development project is a totally separate facility, net income attributable to the project for the purposes of subsections (3), (4), and (5) of this section shall be determined under the separate accounting method reflecting only the gross income, deductions, expenses, gains, and losses allowed under KRS Chapter 141 directly attributable to the facility and overhead expenses apportioned to the facility.

(7) If the economic development project is an expansion to a previously existing facility, net income attributable to the entire facility shall be determined under the separate accounting method reflecting only the gross income, deductions, expenses, gains, and losses allowed under KRS Chapter 141 directly attributable to the facility and overhead expenses apportioned to the facility, and the net income attributable to the economic development project for the purposes of subsections (3), (4), and (5) of this section shall be determined by apportioning the separate accounting net income of the entire facility to the economic development project by a formula approved by the Revenue Cabinet.

(8) If an approved company can show to the satisfaction of the Revenue Cabinet that the nature of the operations and activities of the approved company are such that it is not practical to use the separate accounting method to determine the net income from the facility at which the economic development project is located, the approved company shall determine net income from the economic development project using an alternative method approved by the Revenue Cabinet.

(9) The Revenue Cabinet may issue administrative regulations and require the filing of forms designed by the Revenue Cabinet to reflect the intent of KRS 152.262 to 152.298 and Sections 1 to 11 of this Act and the allowable income tax credit which an approved company may retain under KRS 152.262 to 152.298 and Sections 1 to 11 of this Act."

On page 14, by deleting lines 1 through 26; and

On page 15, by deleting lines 1 through 26; and

On page 16, by deleting lines 1 through 26; and

On page 17, by deleting lines 1 through 26; and

On page 23, line 1, after "***and***" and before "***longer***" by inserting "***no***".

HB 821, AN ACT relating to science and technology workforce development.

WHEREAS, increased efforts must be made to ensure that Kentucky students acquire the knowledge, skills, and attitudes that characterize scientific literacy and numeracy; and

WHEREAS, current data reflect that as students advance through middle school, high school, and college there is a sharp decline in the numbers enrolling in math, science, engineering, and technology related courses; and

WHEREAS, an insufficient number of Kentucky students, particularly females, minorities, handicapped, and economically disadvantaged are pursuing studies or careers in mathematics and science; and

WHEREAS, there exists a demonstrable math and science "brain drain" which is occurring because Kentucky-educated mathematicians, scientists, and engineers leave the state for job opportunities in other states; and

WHEREAS, there is a critical need for recognition of math and science students beginning at the middle school level and continuing throughout high school and for college scholarship and loan programs to assist students who have an interest in college degrees in math and science and are willing to work for businesses in Kentucky;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 158 IS CREATED TO READ AS FOLLOWS:

(1) It is the intention of the General Assembly to generate a substantial increase in the number of mathematicians, scientists, and engineers in the Kentucky workforce in order to foster economic growth in the business sector and to provide high quality jobs for Kentuckians. A program shall be established to encourage studies in math, science, and related technologies, beginning with middle school and continuing through advanced college level work, leading to sustained job placements in Kentucky's technological and innovative businesses and industries. Principle activities for developing, coordinating, and implementing this program shall be conducted by the Kentucky Science and Technology Council, Inc., a private, nonprofit corporation comprised of leaders from education, government, and the private sector.

(2) The Kentucky Science and Technology Council, Inc. may solicit, accept, receive, invest, and expend funds from any public or private source for the purpose of implementing the provisions in this section.

(3) The Kentucky Science and Technology Council, Inc. shall coordinate, promote, and support activities designed to:

(a) Recognize Kentucky middle school students with a high interest, aptitude, or achievement in math, science, and technology related courses, events, and activities; and

(b) Develop additional learning experiences outside the traditional classroom courses, to enhance interest in math and science for middle and high school students, including summer and week-end institutes, skills, application in real world situations, business and industry internships and mentorships, and career awareness exploration.

(c) Solicit program support, cooperation, and funds from private businesses, industries, and government entities with an interest and need for technological innovation;

(d) Develop a college level academic scholarship program for students in math, science, engineering, and other technology related disciplines, soliciting contributions from private businesses and industries;

(e) Develop internship and post-degree placement commitment plans for industries and those students participating in internships or receiving scholarships; and

(f) Submit an annual report to the Governor and the Legislative Research Commission concerning:

1. Activities related to achieving the program's objectives for the preceding year;

2. Factual information about Kentucky students' progress in math, science, and related technologies and business and industries' changing technological needs; and

3. Recommendations to improve the program in achieving its purposes.

SECTION 2. A NEW SECTION OF KRS CHAPTER 156 IS CREATED TO READ AS FOLLOWS:

The Department of Education in Kentucky shall promote, support, and assist in the program created in Section 1 of this Act by:

(1) Identifying middle and high school students who have a high interest, aptitude, or achievement in math, science, and technology related courses, events, and activities;

(2) Cooperating with the Kentucky Science and Technology Council, Inc. in providing opportunities for middle school students to be recognized and encouraged in pursuit of math and science course work, related activities outside of the classroom, and careers in related fields;

(3) Participating with others in the administration of summer institutes, business and industry internships, career opportunities, and other related experiences directed toward middle and high school students; and

(4) Encouraging representatives from business and industry to participate in the mentorship, internship, scholarship, and career awareness components of the program.

SECTION 3. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

The Council on Higher Education in Kentucky shall promote, support, and assist in the program created in Section 1 of this Act by:

(1) Identifying college students who have a superior academic, aptitude, or achievement in math, science, and technology related course work to participate in this program;

(2) Educating higher education institutions as to the availability of this program and encouraging participation by administrators, faculty, and students;

(3) Establishing liaison and assisting in the coordination of any specific program component which involves college level internships, scholarships, or career development.

SECTION 4. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

The Kentucky Higher Education Assistance Authority shall promote, support, and assist in the program created in Section 1 of this Act by:

(1) Establishing liaison and assisting in the coordination of any college level scholarship programs established pursuant to Section 1 of this Act;

(2) Educating higher education institutions, college students, and businesses as to the benefits, activities, and methods of participation in this program;

(3) Providing scholarships, grants, loans, recognition, and work study assistance to college students in this program, when available, and pursuant to KRS 164.740 to 164.770.

SECTION 5. A NEW SECTION OF KRS CHAPTER 158 IS CREATED TO READ AS FOLLOWS:

The Kentucky Science and Technology Council, Inc. shall, in cooperation with the Department for Education and the Council on Higher Education, develop and conduct a competition among Kentucky middle and high school students for the purpose of choosing a Kentuckian of national or international acclaim as a scientist, mathematician, or engineer for whom the programs developed under this Act shall be named.

HB 873, AN ACT relating to the support of the wood products industry, and the taxing thereof.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. KRS CHAPTER 143B IS ESTABLISHED AND A NEW SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 12 this Act, unless the context requires otherwise:

(1) "Beneficiary company" means any "owner", or prospective "owner", as defined in this section who is eligible for financing of a value added wood development infrastructure project under the provisions of Section 11 of this Act.

(2) "Board-foot" means a unit of lumber measurement, one (1) foot long, one (1) foot wide, and one (1) inch thick, or its equivalent.

(3) "Cabinet" means the Revenue Cabinet.

(4) "Commercial species" means the species presently or prospectively suitable for industrial wood products.

(5) "Harvest" means the point at which timber that has been cut, severed, or removed for purposes of sale or use is first measured in the ordinary course of business as determined by reference to common practice in the timber industry.

(6) "Industrial wood products" means all roundwood products, except fuel wood.

(7) "Immediate harvest value" means the amount that each commercial species or subclassification of timber would sell for at a voluntary sale made in the ordinary course of business for purposes of immediate harvest. This value shall be determined by methods which make reasonable and adequate allowances for

age, size, quality, growing condition, costs of removal, accessibility to point of conversion, market conditions, and all other relevant factors as may be determined by the cabinet upon consultation with the Division of Forestry, Kentucky Department of Natural Resources, or its successor.

(8) "Owner" means any individual or combination of individuals, partnership, firm, corporation, or association of any nature, holding title to harvested timber by virtue of:

(a) An instrument of conveyance;

(b) The harvesting of the timber; or

(c) The harvesting of the timber and payment therefor;

(9) "Reporting period" means the period of time for which each taxpayer shall compute his tax liability and remit the tax due to the cabinet.

(10) "Roundwood" products" means logs, bolts, total free chips, or other round timber generated by harvested trees for industrial, commercial, or consumer uses.

SECTION 2. A NEW SECTION OF KRS CHAPTER 143B IS CREATED TO READ AS FOLLOWS:

(1) For the privilege of severing timber, in addition to all other taxes imposed by law, a tax is hereby levied against every taxpayer engaging in the severing of timber within the Commonwealth at the rate of five percent (5%) of the immediate harvest value of merchantable quantities of timber harvested as provided in this section. The amount harvested shall be determined by Doyle Tree Scale or other prevalent measuring practices adjusted to arrive at substantially equivalent measurements.

(2) The cabinet shall determine on the effective date of this Act and on or before August 1 of each year thereafter the immediate harvest value to be used during the fiscal year beginning July 1 in computing the severance tax imposed by this section. The values shall be determined for each species or subclassification as provided in subsection (3) of this section, and shall be expressed in terms of a dollar amount per one thousand (1000) board feet. The total listing of values shall be combined into a convenient set of tables set forth in administrative regulations promulgated by the cabinet pursuant to KRS Chapter 13A.

(3) The cabinet shall determine unit values for immediate harvest for each commercial species in the Commonwealth. The cabinet may make further value classifications based on age, size, and other relevant factors.

(4) For any reporting period, a taxpayer may deduct from the immediate harvest value of merchantable quantities of timber harvested, the value added to that timber by the taxpayer subsequent to its harvesting through processing or manufacturing for industrial, commercial or consumer uses; however, the deduction may not exceed the total reported immediate harvest value, and no excess may be carried forward and claimed by the taxpayer on subsequent returns.

SECTION 3. A NEW SECTION OF KRS CHAPTER 143B IS CREATED TO READ AS FOLLOWS:

(1) Every individual, partnership, joint venture, association, or corporation engaged in the severance of timber shall, prior to severing timber in this Commonwealth, file an application for a permit in a form as prescribed by the cabinet, including, but not limited to, the following information:

(a) The name under which the applicant transacts or intends to transact business and the location of his business; and

(b) Other information as the cabinet may require.

(2) Every application shall be signed by the owner, or his agent.

(3) After compliance with the provisions of subsections (1) and (2) of this section by the applicant, the cabinet shall grant and issue to each applicant the permit; however, the permit shall not be assignable, and shall be valid only for the taxpayer in whose name it is issued.

(4) If any taxpayer fails to comply with the provisions of this chapter or any administrative regulation in respect thereto promulgated by the cabinet in accordance with KRS Chapter 13A, the cabinet may order the suspension or revocation of the permit held by the taxpayer.

SECTION 4. A NEW SECTION OF KRS CHAPTER 143B IS CREATED TO READ AS FOLLOWS:

(1) Commencing on the effective date of this Act, the tax levied under the provisions of Section 2 of this Act shall be due and payable quarterly, within thirty (30) days following the last day of each calendar quarter, beginning October 31, 1992, for the third calendar quarter ending on September 30, 1992, and on January 31, April 30, and August 31, and October 31, of each year thereafter, for all timber harvested during the preceding calendar quarter. All timber shall be considered harvested for purposes of this section at the time when in the ordinary course of business the quantity of timber harvested is first definitely determined. The tax shall be delinquent if not paid by the due date or within the additional time allowed for filing under the provisions of this section.

(2) Each taxpayer shall make out a return on the form prescribed by the cabinet having the amount of tax liability for the proceeding calendar quarter and such relevant information as the cabinet considers necessary to correctly determine the tax due, and shall mail or deliver the return, together with a remittance for the unpaid balance of the tax to the cabinet. The return shall be signed and verified by the owner or agent of the owner. The cabinet may allow further time not exceeding thirty (30) days for filling out a return and payment of taxes, if in the cabinet's judgement good cause exist; however, the cabinet may not waive any interest that shall have occurred on the amount due, beginning on the date the taxes were due to the date the taxes are paid.

(3) Any tax not paid on or before the due date shall bear interest at the tax interest rate as defined in KRS 131.183 from the date due until paid.

(4) All payments received by the cabinet shall be credited first to penalty, if any, and then to interest accrued on the tax being paid, and then to the tax.

(5) A tax return shall be filed for each tax period even though no tax liability may be due.

SECTION 5. A NEW SECTION OF KRS CHAPTER 143B IS CREATED TO READ AS FOLLOWS:

(1) As soon as practicable after each return is received, the cabinet shall examine and audit it. If the amount of tax computed by the cabinet is greater than the amount returned by the taxpayer, the excess shall be assessed within four (4) years from the date the return was filed, except as provided in subsection (2) of this section, and except that in the case of a failure to file a return or of a fraudulent return, the excess may be assessed at any time. A notice of assessment shall be mailed to the taxpayer. The time as specified in this section may be extended by agreement between the taxpayer and the cabinet.

(2) For the purpose of subsections (1) and (4) of this section, a return filed before the last day prescribed by law for the filing thereof shall be considered as filed on the last day.

(3) Any final ruling, order, or determination of the cabinet with regard to the administration of this chapter may be reviewed only in the manner provided in KRS 131.110 and 131.310 to 131.370.

(4) Notwithstanding the four (4) year time limitation of subsection (1), in the case of a return where the taxpayer understates the gross value by twenty-five percent (25%) or more, the excess shall be assessed by the cabinet within six (6) years from the date the return was filed.

SECTION 6. A NEW SECTION OF KRS CHAPTER 143B IS CREATED TO READ AS FOLLOWS:

(1) No proceeding for collection of the taxes provided for in Section 2 of this Act shall be stayed by reason of the taking or pending of any appeal, except under the order of the Franklin Circuit Court and only in those cases where a good and sufficient undertaking has been executed in favor of the cabinet, and approved by the court covering the entire amount of the tax, interest, penalties imposed, and any other costs that may be involved. The undertaking shall be filed with the clerk of the Franklin Circuit Court.

(2) The payment of taxes while an appeal is pending shall not operate as a waiver of the appeal or the right to a refunding of taxes found to excessively determined.

SECTION 7. A NEW SECTION OF KRS CHAPTER 143B IS CREATED TO READ AS FOLLOWS:

(1) Revenue from taxes as levied pursuant to Section 2 of this Act shall be remitted by the cabinet to the State Treasurer who shall deposit it in a trust and agency account which shall be known as the Kentucky Timber Severance Tax Account. Moneys hereby are continuously appropriated for the purposes as specified in this section and Section 11 of this Act, and shall not be transferred or expended for any other purposes except as provided in this section.

(2) The cabinet and the Cabinet for Economic Development shall be reimbursed for all expenses incurred in the administration of the provisions of Section 2 to 12 of this Act, from the tax proceeds deposited to the Kentucky Timber Severance Tax Account.

(3) The cabinet shall pay from this account all refunds of taxes levied under the provisions of this chapter which have been audited and approved by the cabinet. Any penalties, interest and taxes, being due from the taxpayer, shall be applied in that order in computing any refund, and only the balance due the taxpayer, if any, shall be refunded.

(4) Upon receiving the certifications prescribed in Section 11 of this Act, the State Treasurer shall cause the certified amounts to be transferred from the Kentucky Timber Severance Tax Account to the credit of the Kentucky Timber Industry Development Fund, as provided in Section 11 of this Act, from which all disbursements authorized by Section 11 of this Act shall be made.

SECTION 8. A NEW SECTION OF KRS CHAPTER 143B IS CREATED TO READ AS FOLLOWS:

If any taxpayer fails to make and file a return required by this chapter on or before the date the return is due, a penalty of five percent (5%) of the tax due shall be assessed, in addition to any interest assessed, on the tax due for each thirty (30) days or fraction thereof elapsing between the due date of the return and date on which the return is filed, with a maximum penalty of twenty-five percent (25%) of the tax due.

SECTION 9. A NEW SECTION OF KRS CHAPTER 143B IS CREATED TO READ AS FOLLOWS:

(1) Any taxpayer charged with the filing of reports and payment of the tax imposed by this chapter may be required to post a cash or corporate surety bond in an amount to be determined by the cabinet.

(2) The Commonwealth may bring an action for a restraining order, or a temporary or permanent injunction to restrain or enjoin the operation of a taxpayer's business until the bond is posted. This action may be brought in the Franklin Circuit Court or in the Circuit Court having jurisdiction over the taxpayer.

SECTION 10. A NEW SECTION OF KRS CHAPTER 143B IS CREATED TO READ AS FOLLOWS:

Notwithstanding any other provisions of this chapter to the contrary, the president, vice president, secretary, treasurer, or any other person holding any equivalent corporate office of any corporation subject to the provisions of this chapter shall be personally and individually liable, both jointly and severally, for the taxes imposed under this chapter, and neither the corporate dissolution nor withdrawal of the corporation from the state nor the cessation of holding any corporate office shall discharge the foregoing liability of any such person. The personal and individual liability shall apply to each and every person holding corporate office at the time the taxes become or became due. No person will be personally and individually liable pursuant to this section who had no authority in the management of the business or financial affairs of the corporation at the time that the taxes imposed by this chapter become or became due. Taxes as used in this section include interest accrued thereon at the rate provided by KRS 131.183 and all applicable penalties imposed under this chapter and all applicable penalties and fees imposed under Sections 8 and 9 of this Act. and KRS 131.990.

SECTION 11. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

(1) The "Kentucky Timber Industry Development Fund" is established and shall consist of net proceeds from the timber severance tax proceeds deposited to the Kentucky Timber Severance Tax Account as provided in Section 7 of this Act.

(2) The secretary of the Cabinet for Economic Development shall administer this fund, and he shall certify to the State Treasurer amounts to be deposited from the timber severance tax trust and agency account to this fund.

(3) Moneys in the fund shall be used only for loans and grants to assist in the financing of value added wood industry development infrastructure projects, including, but not limited to, all expenses incurred in connection with or incidental to the construction, reconstruction, renovation, maintenance to buildings, and other improvements to real estate used in value added wood industries; acquisition of real property and interest in real property to be used in value added manufacturing and processing facilities of the wood industry; purchases of major items of equipment; site development, including land reclamation, clearing, grading, draining, landscaping, and the construction of fences and screening; the extension of water, gas, sewer, and electrical utility lines to wood industry manufacturing and processing development sites; and provision of waste disposal systems.

(4) The fiscal court of any county in Kentucky from which timber severance taxes are collected may submit to the Cabinet for Economic Development, on behalf of a beneficiary company, as defined in Section 1 of this Act, a project proposal for funding under the provisions of this section. Each proposal shall be presented in the manner as prescribed by the cabinet and shall be evaluated, approved, or disapproved, and if approved, prioritized for funding pursuant to administrative regulations promulgated by the cabinet in accordance with KRS Chapter 13A.

(5) If the cabinet determines that the project proposal does not conform to the requirements of this section or its administrative regulations, or that the estimated costs of the project are unreasonable or excessive in light of the public benefit to be derived, or the unencumbered balance in the fund is insufficient to pay the costs of the project, or the beneficiary company cannot reasonably finance the operation or maintain the project during its estimated useful life, then the project shall be disapproved. The cabinet shall either approve or disapprove any project proposal within ninety (90) days following the official submittal of the proposal to the cabinet. No project proposal shall be funded totally with proceeds from this fund.

(6) If its project is approved, the beneficiary company shall execute and deliver to the cabinet written assurances which shall be binding on its successors and assigns, guaranteeing that during its estimated usefully life, the project shall be operated and maintained in accordance with an agreement executed between the beneficiary company, the fiscal court, and the cabinet. If the company breaches the agreement, the Commonwealth shall have right of entry to the project and the company shall forthwith convey title to the project to the Commonwealth.

(7) When a project has been approved for funding in accordance with provisions of this section, the secretary of the Cabinet for Economic development shall certify to the State Treasurer amounts to be deposited from the timber severance tax trust and agency account to the credit of the Kentucky Timber Industry Development Fund, from which expenditures for the approved project shall be paid.

(8) Nothing in this section shall be construed as prohibiting the financing of a project with funds as provided in this section with other public or private funds; however, in that event, the Commonwealth shall be the first lienholder and all other liens shall be subordinate.

SECTION 12. A NEW SECTION OF KRS CHAPTER 143B IS CREATED TO READ AS FOLLOWS:

Any taxpayer who fails to file required returns or remit the tax due under this chapter or who falsifies or alters a permit or other form required under this chapter shall be guilty of a Class A misdemeanor and upon conviction shall be fined an amount not to exceed one thousand dollars ($1,000) or imprisoned for a period not to exceed six (6) months, or both.

The Committee Amendment No. 1 to **HB 873** is as follows:

Amend printed copy of **HB 873** on page 12, line 17, by deleting "***The fiscal court of any county***" and by inserting in lieu thereof "***Each area development district***".

HCR 170, A CONCURRENT RESOLUTION directing the Task Force on Economic Development to study and make recommendations concerning the utilization of the Commonwealth's prison farm properties.

WHEREAS, last year the Corrections Cabinet sold its cattle, canning equipment, and farm machinery in anticipation of selling its prison farm properties; and

WHEREAS, many of the cabinet's prison farm properties could be utilized by other state agencies or sold at auction for developmental purposes; and

WHEREAS, the Corrections Cabinet has decided to continue farming operations, on a limited basis, at its prison farms; and

WHEREAS, even though the cabinet has decided to continue its farming operations for now, a study should be performed to identify and evaluate alternative uses of the prison farm properties;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Task Force on Economic Development shall identify and evaluate alternative uses of the Commonwealth's prison farm properties, and shall make a final report that shall include recommendations based on its findings.

Section 2. This report shall be submitted to the Legislative Research Commission by October 1, 1993.

Section 3. Staff services to be utilized in completing this study are estimated to cost $10,000. These staff services shall be provided from the regular commission budget and are subject to the limitations and other research responsibilities of the commission.

The Committee on Labor and Industry reported **HB 544**, with Committee Substitute attached thereto, **HB 732** and **HCR 166** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 544, AN ACT relating to workers' compensation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF SUBTITLE 13 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) Each insurer, including those participating in a residual market mechanism, authorized to write workers' compensation insurance in the Commonwealth shall offer, as a part of the policy or as an optional endorsement to the policy, deductibles optional to the employer policyholder for the payment of workers' compensation benefits pursuant to KRS Chapter 342.

(2) Deductible amounts offered pursuant to subsection (1) of this section shall be fully disclosed to the employer policyholder in writing and shall range in amounts from one hundred dollars ($100) to ten thousand dollars ($10,000) per compensable occurrence under KRS Chapter 342. The employer policyholder exercising the deductible option shall choose only one (1) deductible amount.

(3) (a) If the employer policyholder chooses a deductible policy pursuant to subsections (1) and (2) of this section, the insurer shall pay the deductible amount initially and the employer policyholder shall be liable to the insurer, at the time and in the manner prescribed by the insurer, for the amount of the deductible paid by the insurer for benefits paid pursuant to KRS Chapter 342.

(b) Failure by the employer policyholder to reimburse the insurer as required by this subsection shall be treated by the insurer in the same manner as non-payment of premiums. In addition, failure of the employer policyholder to reimburse the insurer as required shall constitute noncompliance with KRS 342.340 for purposes of KRS 342.402.

SECTION 2. A NEW SECTION OF SUBTITLE 13 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) An employer policyholder who selects a deductible workers' compensation policy shall be granted a premium reduction by the insurer. The premium reduction shall be calculated by the insurer in accordance with administrative regulations promulgated by the commissioner and shall be fully disclosed to the employer policyholder in writing.

(2) For ratemaking purposes, the premium reduction granted to an employer policyholder in accordance with the provisions of subsection (1) of this section shall be applied and considered prior to the application of experience modification adjustments, premium surcharges, or premium discounts.

(3) In addition to the provisions contained in subsection (2) of this section, only the net experience of an employer policyholder, which results after application of the deductible amount, rather than the gross experience of the employer policyholder, shall be used by the insurer or advisory organization in the calculation and preparation of workers' compensation rates. Violation of the provisions of this subsection shall constitute grounds for the suspension or revocation of the license of an insurer or advisory organization in the manner prescribed in KRS Chapter 304.13-320.

SECTION 3. A NEW SECTION OF SUBTITLE 13 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

No insurer shall be required to offer a deductible to an employer policyholder, as provided in Section 1 of this Act, if the insurer determines, subject to review and approval by the commissioner, that the prospective employer policyholder is not financially able to comply with the terms and conditions of a deductible workers' compensation policy.

Section 4. KRS 304.13-057 is amended to read as follows:

(1) Every insurer shall provide to the commissioner information to demonstrate to what extent the insurer's rates are based upon its Kentucky experience.

(2) Every insurer shall provide to the commissioner information to demonstrate its compliance with the requirements contained in Section 2 of this Act which requires workers' compensation rates to be based on the net experience of an employer policyholder who has selected a deductible policy as authorized by Section 1 of this Act.

SECTION 5. A NEW SECTION OF SUBTITLE 13 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any provision of this chapter or any other chapter of the Kentucky Revised Statutes or any rating manual or rule to the contrary, no workers' compensation rate increases shall be applied retroactively, but rather shall be applied only to policies with inception or renewal dates on or after the effective date of the rate increase.

Section 6. KRS 342.020 is amended to read as follows:

(1) In addition to all other compensation provided in this chapter, the employer shall pay for the cure and relief from the effects of an injury or occupational disease ***the***[~~such~~] medical, surgical and hospital treatment, including nursing, medical and surgical supplies and appliances, as may reasonably be required at the time of the injury and thereafter during disability, or as may be required for the cure and treatment of an occupational disease. The employee may select the physician to treat his injury, and the hospital in which he shall be treated. ***However, following an employee's initial selection of a physician to treat his injury or occupational disease, he may change treating physicians not more than one (1) time without prior written authorization of the employer's insurance carrier or by a self-insured employer, except that prior written authorization shall not be required in the case of a referral from a treating physician to a medical specialist. An initial selection of a doctor made by the employer's insurance carrier or by a self-insured employer or medical treatment provided to an employee during an emergency situation does not constitute the employee's initial selection of a physician to treat his injury. The written request to change treating physicians shall be deemed approved if the insurance carrier or self-insured employer fails to respond within seven (7) days following receipt of the written request. Refusal of the written request to change treating physicians may be appealed to the administrative law judge or board, in the manner prescribed by the board, within twenty (20) days from the date of refusal. The insurance carrier or self-insured employer shall respond within twenty (20) days thereafter and the administrative law judge or the board shall rule on the appeal within twenty (20) days following receipt of the response of the insurance carrier or self-insured employer.*** The employer, or an insurer on behalf of the employer, shall make all payments for services rendered to an employee directly to the provider of such services within thirty (30) days of receipt of a statement for services. ***The provider of medical services shall submit the statement for services within thirty (30) days of the day treatment is initiated and every thirty (30) days thereafter if appropriate as long as medical services are rendered.***

(2) When a compensable injury or occupational disease results in the amputation of an arm, leg or foot, or the loss of hearing, or the enucleation of an eye or loss of teeth, the employer shall initially pay for, in addition to the other medical, surgical and hospital treatment enumerated in subsection (1) and this subsection, a modern artificial member and where required, proper braces.

(3) Upon motion of the employer, with sufficient notice to the employee for a response to be filed, if it is shown to the satisfaction of the administrative law judge by affidavits or testimony that because of the physician selected by the employee to treat his injury or disease, or because of the hospital selected by the employee in which he is being treated, that the employee is not receiving proper medical treatment and his recovery is being substantially affected or delayed; or that the funds for his medical expenses are being spent without reasonable benefit to the employee; or that because of the physician selected by the employee or because of the type of medical treatment being received by the employee that the employer will substantially be prejudiced in any compensation proceedings resulting from the employee's injury or disease; then the administrative law judge may allow the employer to select a physician to treat the employee and the hospital or hospitals in which the employee is treated for his injury or disease. No action shall be brought against any employer subject to this chapter by any person to recover damages for malpractice or improper treatment received by any employee from any physician, hospital or attendant thereof.

(4) An employee who reports an injury alleged to be work-related or files an application for adjustment of a claim shall execute a waiver and consent of any physician-patient, psychiatrist-patient or chiropractor-patient privilege with respect to any condition or complaint reasonably related to the condition for which the employee claims compensation. Notwithstanding any other provision in the Kentucky Revised Statutes, any physician, psychiatrist, chiropractor, podiatrist, hospital or health care provider shall, within a reasonable time after written request by the employee, employer, workers' compensation insurer, special fund, uninsured

employers' fund, or the administrative law judge, provide the requesting party with any information or written material reasonably related to any injury for which the employee claims compensation.

The Committee Substitute to **HB 544** is as follows:

HB 544, AN ACT relating to workers' compensation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF SUBTITLE 13 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) Each insurer, including those participating in a residual market mechanism, authorized to write workers' compensation insurance in the Commonwealth shall offer, as a part of the policy or as an optional endorsement to the policy, deductibles optional to the employer policyholder for the payment of workers' compensation benefits pursuant to KRS Chapter 342.

(2) Deductible amounts offered pursuant to subsection (1) of this section shall be fully disclosed to the employer policyholder in writing and shall range in amounts from one hundred dollars ($100) to ten thousand dollars ($10,000) per compensable occurrence under KRS Chapter 342. The employer policyholder exercising the deductible option shall choose only one (1) deductible amount.

(3) (a) If the employer policyholder chooses a deductible policy pursuant to subsections (1) and (2) of this section, the insurer shall pay the deductible amount initially and the employer policyholder shall be liable to the insurer, at the time and in the manner prescribed by the insurer, for the amount of the deductible paid by the insurer for benefits paid pursuant to KRS Chapter 342.

(b) Failure by the employer policyholder to reimburse the insurer as required by this subsection shall be treated by the insurer in the same manner as non-payment of premiums. In addition, failure of the employer policyholder to reimburse the insurer as required shall constitute noncompliance with KRS 342.340 for purposes of KRS 342.402.

SECTION 2. A NEW SECTION OF SUBTITLE 13 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) An employer policyholder who selects a deductible workers' compensation policy shall be granted a premium reduction by the insurer. The premium reduction shall be calculated by the insurer in accordance with administrative regulations promulgated by the commissioner and shall be fully disclosed to the employer policyholder in writing.

(2) For ratemaking purposes, the premium reduction granted to an employer policyholder in accordance with the provisions of subsection (1) of this section shall be applied and considered prior to the application of experience modification adjustments, premium surcharges, or premium discounts.

(3) In addition to the provisions contained in subsection (2) of this section, only the net experience of an employer policyholder, which results after application of the deductible amount, rather than the gross experience of the employer policyholder, shall be used by the insurer or advisory organization in the calculation and preparation of workers' compensation rates. Violation of the provisions of this subsection shall constitute grounds for the suspension or revocation of the license of an insurer or advisory organization in the manner prescribed in KRS Chapter 304.13-320.

SECTION 3. A NEW SECTION OF SUBTITLE 13 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

No insurer shall be required to offer a deductible to an employer policyholder, as provided in Section 1 of this Act, if the insurer determines, subject to review and approval by the commissioner, that the prospective employer policyholder is not financially able to comply with the terms and conditions of a deductible workers' compensation policy.

Section 4. KRS 304.13-057 is amended to read as follows:

(1) Every insurer shall provide to the commissioner information to demonstrate to what extent the insurer's rates are based upon its Kentucky experience.

(2) Every insurer shall provide to the commissioner information to demonstrate its compliance with the requirements contained in Section 2 of this Act which requires workers' compensation rates to be based on the net experience of an employer policyholder who has selected a deductible policy as authorized by Section 1 of this Act.

SECTION 5. A NEW SECTION OF SUBTITLE 13 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any provision of this chapter or any other chapter of the Kentucky Revised Statutes or any rating manual or rule to the contrary, no workers' compensation rate increases shall be applied retroactively, but rather shall be applied only to policies with inception or renewal dates on or after the effective date of the rate increase.

Section 6. KRS 342.020 is amended to read as follows:

(1) In addition to all other compensation provided in this chapter, the employer shall pay for the cure and relief from the effects of an injury or occupational disease ***the***[~~such~~] medical, surgical and hospital treatment, including nursing, medical and surgical supplies and appliances, as may reasonably be required at the time of the injury and thereafter during disability, or as may be required for the cure and treatment of an occupational disease. The employee may select the physician to treat his injury, and the hospital in which he shall be treated. The employer, or an insurer on behalf of the employer, shall make all payments for services rendered to an employee directly to the provider of such services within thirty (30) days of receipt of a statement for services. ***The provider of medical services shall submit the statement for services within forty-five (45) days of the day treatment is initiated and every forty-five (45) days thereafter if appropriate as long as medical services are rendered.***

(2) When a compensable injury or occupational disease results in the amputation of an arm, leg or foot, or the loss of hearing, or the enucleation of an eye or loss of teeth, the employer shall initially pay for, in addition to the other medical, surgical and hospital treatment enumerated in subsection (1) and this subsection, a modern artificial member and where required, proper braces.

(3) Upon motion of the employer, with sufficient notice to the employee for a response to be filed, if it is shown to the satisfaction of the administrative law judge by affidavits or testimony that because of the physician selected by the employee to treat his injury or disease, or because of the hospital selected by the employee in which he is being treated, that the employee is not receiving proper medical treatment and his recovery is being substantially affected or delayed; or that the funds for his medical expenses are being spent without reasonable benefit to the employee; or that because of the physician selected by the employee or because of the type of medical treatment being received by the employee that the employer will substantially be prejudiced in any compensation proceedings resulting from the employee's injury or disease; then the administrative law judge may allow the employer to select a physician to treat the employee and the hospital or hospitals in which the employee is treated for his injury or disease. No action shall be brought against any employer subject to this chapter by any person to recover damages for malpractice or improper treatment received by any employee from any physician, hospital or attendant thereof.

(4) An employee who reports an injury alleged to be work-related or files an application for adjustment of a claim shall execute a waiver and consent of any physician-patient, psychiatrist-patient or chiropractor-patient privilege with respect to any condition or complaint reasonably related to the condition for which the employee claims compensation. Notwithstanding any other provision in the Kentucky Revised Statutes, any physician, psychiatrist, chiropractor, podiatrist, hospital or health care provider shall, within a reasonable time after written request by the employee, employer, workers' compensation insurer, special fund, uninsured employers' fund, or the administrative law judge, provide the requesting party with any information or written material reasonably related to any injury for which the employee claims compensation.

HB 732, AN ACT relating to workers' compensation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) The General Assembly finds and declares that more than twenty-six percent (26%) of all employers in the Commonwealth, who are subject to the Kentucky Workers' Compensation law, have been unable to secure the statutorily mandated workers' compensation coverage except from the Kentucky Workers' Compensation Insurance Plan, a residual market mechanism or assigned risk pool for high-risk employers.

(2) The General Assembly finds and declares that there are approximately two hundred sixty-five (265) insurance carriers authorized to write workers' compensation insurance coverage, but that very few are actively providing significant coverage to coal employers in the Commonwealth.

(3) The General Assembly finds and declares that few coal employers in the Commonwealth are insured for workers' compensation purposes through the private insurance market and that most of the largest coal employers in the Commonwealth are self-insured.

(4) The General Assembly finds and declares that most coal employers have been unable to secure the mandated workers' compensation coverage through the private insurance market, that most coal employers cannot qualify to be individually self-insured because of the economic plight of the coal industry, and that many coal employers currently maintain their mandated workers' compensation coverage through the Kentucky Workers' Compensation Insurance Plan because of the dissolution of the Kentucky Coal Producers' Fund, the only workers' compensation group self-insurance fund which existed solely for coal employers.

(5) The General Assembly finds and declares that the overall workers' compensation insurance market is becoming more and more restrictive and expensive for all employers in the Commonwealth, especially employers engaged in the severance or processing of coal.

(6) Therefore, it is the intent of the General Assembly by establishing the Kentucky Insurance Association to provide a reasonable mechanism through which employers, especially employers in the coal industry may secure coverage for their workers' compensation liability required under this chapter.

SECTION 2. A NEW SECTION OF KRS Chapter 342 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 15 of this Act, unless the context requires otherwise:

(1) "Association" means the Kentucky Insurance Association created by KRS 342.495;

(2) "Board" means the board of directors of the Kentucky Insurance Association; and

(3) "Manager" means the manager of the Kentucky Insurance Association.

Section 3. KRS 342.495 is amended to read as follows:

(1) For the purpose of carrying out this chapter and affording to employers a method of insuring their ***workers' compensation*** liability, the Kentucky [~~Employee's~~] Insurance Association is created. ***The association shall be***[~~,~~] a ***public*** body corporate, with all the general corporate powers incident thereto ***and shall constitute a public agency within the definitions of that term in KRS 61.805 and 61.870. Although*** any employer in this state may ***at some point be authorized to*** become a subscriber***, initial membership in the association shall be limited to employers who are engaged in the business of severance or processing of coal. The association's board of directors shall review the association's fiscal soundness on not less than a yearly basis and determine whether to recommend to the Governor to expand the membership to other employers in the Commonwealth.***

(2) For administrative purposes, the association is attached to the ***Finance and Administration*** [~~Labor~~] Cabinet.

(3) For the purpose of effectuating the provisions of Sections 1 to 15 of this Act, the general powers of the association shall include, but are not limited to, the power to:

(a) Sue and be sued;

(b) Adopt a seal and alter it at will;

(c) Enter into contracts relating to the administration of the association;

(d) Rent, lease, buy, pledge, mortgage, or sell property in its own name and may construct or repair buildings necessary to provide space for its operations;

(e) Declare a dividend when there is an excess of assets over liabilities;

(f) Pay medical expenses, rehabilitation expenses, and income benefits provided under this chapter, and administrative and other expenses of the association; and

(g) Hire personnel and set salaries and compensation in accordance with the provisions of Sections 1 to 15 of this Act.

(4) In addition to the general powers authorized in this section, the association shall hold, administer, invest, and reinvest the premiums collected pursuant to Sections 1 to 15 of this Act in the manner prescribed in KRS 342.123.

(5) The association shall promulgate administrative regulations which clearly set out the policies and procedures of the association with regard to ratemaking methods, denial of membership, termination of membership, and other matters relating to the conduct of the business of the association.

SECTION 4. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) The board of directors of the association shall consist of nine (9) members, including the secretary of the Labor Cabinet, the secretary of the Cabinet for Economic Development, the secretary of the Revenue Cabinet, and the commissioner of the Department of Insurance. The remaining five (5) members of the board of directors shall be appointed by the Governor.

(2) The five (5) appointed members shall be:

(a) Two (2) members, selected from a list of five (5) submitted by the secretary of Labor, who shall represent employees in the Commonwealth;

(b) Two (2) members, selected from a list of five (5) submitted by the secretary for economic development, who shall represent employers in the Commonwealth; and,

(c) One (1) member who shall be knowledgable in the area of workplace safety and health.

(3) Following the initial appointments, each appointed member of the board shall serve a term of four (4) years. The initial terms of the appointive members shall be staggered as follows:

(a) One (1) member appointed by the Governor to represent employees shall serve a term of two (2) years, and the other member appointed to represent employees shall serve a term of three (3) years;

(b) One (1) member appointed by the Governor to represent employers shall serve a term of two (2) years, and the other member appointed to represent employers shall serve a term of three (3) years; and

(c) The member appointed by the Governor who shall be knowledgable in the field of workplace safety and health shall be appointed for a term of two (2) years.

(4) The board of directors shall annually elect from among its members a chairman, a vice chairman, and a secretary-treasurer. The board may also elect or appoint, and prescribe the duties of, other officers as the board of directors deems necessary or advisable.

(5) The employees of the association shall be eligible to participate in the Kentucky Retirement System and the Kentucky Public Employees Deferred Compensation System.

(6) A majority of the board shall constitute a quorum for the purposes of conducting its business and exercising its powers and for all other purposes. The majority shall be determined by excluding any existing vacancies from the total number of directors.

(7) Vacancies on the board shall be filled by the Governor for only the remainder of the unexpired term. Members of the board shall serve until their successors are appointed, except that the Governor shall fill a vacancy on the board within thirty (30) days from the date the vacancy occurred.

SECTION 5. A NEW SECTION OF KRS CHAPTERS 342 IS CREATED TO READ AS FOLLOWS:

(1) The Governor shall, after conducting a nationwide search, appoint a manager of the association subject to the consent of the Senate in accordance with KRS 11.160. The manager shall have previous successful experience as an executive at the general management level in the insurance business. Knowledge of workers' compensation insurance, financial management and investment strategies, and actuarial analysis shall be priority qualifications considered when hiring the manager. The duties of the manager shall be to conduct the business of the association on behalf of the board. The manager shall be authorized to do all things necessary to administer the association, subject to the approval of the board, including the establishment of workers' compensation premium rates.

(2) The manager, subject to the approval of the board, may employ assistants, attorneys, statisticians, actuaries, accountants, inspectors, clerks, rehabilitation personnel, and other employees as necessary to carry out the responsibilities of the association.

(3) The manager, subject to the approval of the board of directors, may contract for actuarial, investment, legal, medical, rehabilitation, reinsurance, auditing, or other services as necessary to fulfill the responsibilities of the association. The contracts shall be subject to the personal service contract review procedures of KRS 45A.690 to 45A.725.

(4) The manager, subject to the approval of the board, may make safety inspections of risks and provide advisory services to employers on safety and health measures.

(5) The manager shall qualify by giving an official bond in an amount and with sureties approved by the board. The premium for the bond shall be paid by the association.

(6) The manager, subject to approval of the board, may deny membership to any employer which does not meet the criteria for membership.

Section 6. KRS 342.530 is amended to read as follows:

(1) (a) The ***manager, subject to the approval of the*** board [~~of directors~~] shall ***determine the premiums charged to the subscribers of the association*** [~~distribute the subscribers into groups in accordance with the nature of the business and the degree of the risk of injury~~]. ***The*** subscribers [~~within each group~~] shall [~~annually~~] pay in cash, or notes absolutely payable ***to the association and in the manner it prescribes***, the premiums required to pay the compensation provided in this chapter ***in order to establish and maintain adequate reserves determined necessary by the association and to pay the administrative expenses of the association*** [~~for the injuries that may occur in that year~~].

(b) At the time each employer subscribes to the association, the application required by the manager shall be filed and a premium deposit equal to the first quarter's estimated premium payment, determined by the manager, shall be remitted. Thereafter, premiums shall be paid in monthly installments, determined by the manager, on or before the last day of the month.

(c) At the time each premium is paid, each subscriber employer shall make a payroll report to the manager for the preceding month. The report shall be on forms prescribed by the manager and shall contain all information required by the manger.

(d) After subscribing to the fund, each employer shall remit with each payroll report and premium payment, an amount calculated by the manager and approved by the board to be sufficient to maintain a premium deposit. The premium deposit shall be credited to the employer's account and used to pay premiums and any other sums due the association when an employer becomes delinquent.

(2) The manager shall recommend to the board the commission that insurance agents can charge for writing policies for the association, except that the commission shall not be less than that which agents currently charge for writing workers' compensation policies for insurance companies authorized to write workers' compensation coverage in the Commonwealth.

(3) (a) To determine equitable premiums, the manager may divide the employments of the subscribers into classes. Separate accounts shall be kept of the amounts collected and expended with respect to each class and each insured for convenience in determining equitable premiums. The manager may rearrange any of the classes by withdrawing any employment embraced in it and transferring it wholly or in part to any other class, and from these employments may set up new classes in his discretion. The manager shall determine the hazards of the different classes and fix the premiums based upon the total payroll and number of employees in each class of employment at the lowest possible rate consistent with the maintenance of a solvent workers' compensation state insurance fund and the creation of a reasonable surplus and reserve. The manager shall use only Kentucky loss experience data in the determination of premiums, except that other loss experience data may be utilized as a supplement to Kentucky data when the manager determines that an exceptional case requires additional data to establish statistical credibility of an employment classification. In addition, the manager may, in his discretion, apply debit or credit modification factors to reflect exceptional or expected reductions in loss exposures not adequately reflected in either the premiums for the employment classification or the employer's individual past experience.

(b) The manager shall keep an account of:

1. The premiums paid by each of the several classes of employments and by each employer insured by the association;

2. Expenses of administering the association; and

3. Medical and indemnity benefits paid pursuant to this chapter; and

4. The amount of reserves adequate to meet anticipated and unexpected losses and to carry the claims to maturity.

(c) At the end of every year, and at other times as the manager in his discretion may determine, a readjustment of the premium may be made for each of the several classes of employments or industries. If at any time there is an aggregate balance remaining to the credit of any class of employment or industry which the manager deems may be safely and properly divided, he may, in his discretion, credit to each individual member of the class who shall have been a subscriber to the association for a period of six (6) months or more, prior to the time of the readjustment, a proportion of the balance, determined by the manager and based upon the amount of premiums paid by each subscriber in a class subsequent to the last readjustment of rates.

SECTION 7. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) Failure of an employer to pay his premium timely, to file a payroll report timely, or to maintain an adequate premium deposit shall cause the employer's account to become delinquent. No employer shall be declared delinquent or assessed a penalty if the manager determines that the delinquency has been caused by delays in the administration of the association. The manager shall, in writing, within thirty (30) days of the end of each quarter notify all delinquent employers of their failure to pay premiums timely, to file a payroll report timely, or to maintain an adequate premium deposit. The notification shall demand the filing of the delinquent payroll report, payment of delinquent premiums, or payment of an amount sufficient to maintain the premium deposit, on or before the date required by the manager. The notification shall also require payment of interest on the delinquent premium payment or premium deposit pursuant to subsection (2) of this section.

(2) Payments unpaid on the date on which due and payable shall immediately begin bearing interest at the rate of two (2) percentage points above the prime rate as listed in the "Guide to General Levels of Money Rates" in the first New York edition of the Wall Street Journal published in the month during which the payments were due. Interest shall be compounded quarterly until payment plus accrued interest is received by the manager. This interest rate shall be in effect for the remainder of the quarter during which the premium payment is due. The interest rate shall be redetermined quarterly in accordance with this subsection.

(3) Any employer, whose membership in the association is terminated, may be restored immediately by filing all delinquent payroll and other reports required by the manager and paying to the association all unpaid premiums, an adequate premium deposit determined by the manager, and accrued interest, and losses paid during the period of delinquency and default.

(4) The subsequent failure of the employer to make scheduled payments in accordance with the repayment agreement, to file current premiums timely, or to restore the premium deposit to the required amount by the end of the repayment period shall void the repayment agreement, and the manager, on behalf of the board, shall notify the workers' compensation board, pursuant to the requirements of this chapter, that the employer's membership in the association has been terminated or canceled.

(5) Upon withdrawal or termination from the association, the manager shall refund an employer the balance due him of his deposit, after deducting all amounts owed by him to the association, and the manager shall notify the employees of the employer of the termination.

SECTION 8. A NEW SECTION OF KRS CHAPTERS 342 IS CREATED TO READ AS FOLLOWS:

(1) The board shall require the association to engage a certified public accountant or a firm of certified public accountants to conduct an annual examination of the association's financial statements, conditions, transactions, and affairs, in accordance with generally accepted auditing standards for the purpose of submitting an independent opinion, and preparing a report of findings and recommendations concerning the association's internal accounting controls and procedures. The opinions and reports of the accountants shall be forwarded annually to the Governor, the Legislative Research Commission, the Governor's Advisory Council on Workers' Compensation, the Auditor of Public Accounts, and the secretary of Finance and Administration. Notwithstanding any other provision of this chapter, the Auditor of Public Accounts shall have access to and may examine all books, accounts, reports, vouchers, correspondence files, records, funds, and property of the association and may otherwise exercise all powers of his office under KRS Chapter 43 with respect to the association.

(2) The board shall annually engage an independent actuarial firm to conduct an actuarial examination of the assets, liabilities, and ratemaking methods of the association. The report of the actuarial study shall be provided to the Governor, the Legislative Research Commission, the Governor's Advisory Council on Workers' Compensation, the Auditor of Public Accounts, and the secretary of Finance and Administration.

SECTION 9. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

(1) The manager, on behalf of the association and subject to its approval, may reinsure any risk, or any part thereof, or may contract for reinsurance services as provided in Sections 1 to 15 of this Act.

(2) The association may participate in any pooling arrangement that is under the direction and control of the National Council on Compensation Insurance that will provide insurance for risks located in the Commonwealth for subscribers to the association and which are subject to the Federal Coal Mine Health and Safety Act or other federal law. The association is authorized to pay any reasonable assessments that arise out of participation in pooling arrangements.

(3) The association may provide workers' compensation coverage for interstate risks.

SECTION 10. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The employees of the association shall be hired by the manager. The employees shall be subject to the provisions of KRS Chapter 18A, except that the compensation of the manager of the association shall be exempt from the provisions of KRS 64.640.

SECTION 11. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any other section of the Kentucky Revised Statutes to the contrary, neither the board, nor the manager, nor the employees of the association shall be personally liable for or on account of any act performed or contract entered into in an official capacity in good faith and without intent to defraud in connection with the administration of the association or its affairs.

SECTION 12. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

Any employer, insured by the association, may appeal, in the manner prescribed in administrative regulations promulgated by the association, any action of the association, or its manager, concerning the classification and ratemaking procedures utilized in the formulation of workers' compensation premiums, the actual premium charged to the employer, the manner in which premiums or assessments are collected, or other matters.

SECTION 13. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

The provisions of Sections 1 to 15 of this Act shall not be subject to the Governor's reorganization powers under KRS Chapter 12. However, the Governor may recommend changes relating to the association at any regular or special session of the General Assembly.

SECTION 14. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

Initial funding for the association shall be determined by the Governor, the secretary of the Finance and Administration Cabinet, and the Secretary of the Labor Cabinet. One of the following methods may be used:

(1) The secretary of the Finance and Administration Cabinet may issue bonds not to exceed five million dollars ($5,000,000) which will serve as initial funding for the association. The bonds shall be repaid over a period not to exceed ten years from the original date of the bond sale. The rate of interest to be applied to the loan shall not exceed two percent (2%) of the bond rate at the time of sale and shall be adjusted annually on the anniversary of the original bond sale;

(2) A loan from an existing state agency may be made to the association. The maximum amount borrowed shall not exceed five million dollars ($5,000,000) and shall be repaid over a period not to exceed ten (10) years from the original loan date. The rate of interest to be applied to the loan shall be one percent (1%) higher than the average for the long-term investment folder of the lending agency on the anniversary date of the original loan. The interest rate shall be adjusted annually on the anniversary date of the original loan; or

(3) Any executive branch agency of the Commonwealth and any public corporation created by the Commonwealth, any statute to the contrary notwithstanding, may lend money to the association subject to the terms and conditions of this section.

SECTION 15. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

Funds collected by the association shall not:

(1) Be loaned to the Commonwealth or any instrumentality or agency thereof;

(2) Be subject to transfer to the Commonwealth or any agency or instrumentality thereof, except for purposes specifically authorized by Sections 1 to 15 of this Act; and

(3) Be expended for any other purposes than as authorized by Sections 1 to 15 of this Act.

Section 16. The following KRS sections are repealed:

342.500	Board of directors — Selection — Term.
342.505	Board officers elected annually.
342.510	Quorum of board — Vacancies.
342.515	Representation of subscribers.
342.520	Subscriptions required to issue first policy.
342.525	Procedure required before first policy issued.
342.535	Association to fix contingent liability — Limit.
342.540	Assessments.
342.545	Dividends — All funds available for contingent liability.
342.550	Commissioner of insurance to approve premiums, etc.
342.555	Board to make safety regulations — Inspections — Review of regulation.

Section 17. (1) The Governor shall, not later than thirty days from the effective date of this Act, hire the manager and appoint the five (5) appointive members of the association.

(2) The Kentucky Insurance Association shall begin issuing insurance policies and providing workers' compensation insurance coverage required under this chapter to employers engaged in the severance or processing of coal, as defined in Section 2 of this Act, no later than January 1, 1993.

HCR 166, A CONCURRENT RESOLUTION directing the Interim Joint Committee on Labor and Industry to study the issue of classifying businesses for the purpose of paying unemployment insurance taxes.

WHEREAS, the current system of classifying businesses for the purpose of Unemployment Insurance tax rate determinations was put in place in the early 1980's and has not been examined in the intervening years; and

WHEREAS, reliance upon the ***Standard Industrial Classification*** (SIC) codification system developed by the Federal Office of Management and Budget may place many business activities in codes which do not accurately reflect the character of these enterprises; and

WHEREAS, the ***Standard Industrial Classification*** (SIC) Manual in use at this time has not been revised since 1987;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Interim Joint Committee on Labor and Industry, during the 1992-93 interim, examine the system used by the unemployment insurance program to classify businesses for the purpose of determining unemployment insurance tax assessments.

Section 2. This report shall be submitted to the Legislative Research Commission by January 1, 1993.

Section 3. Staff services to be utilized in completing this study are estimated to cost $5000. These staff services shall be provided from the regular Commission budget and are subject to the limitations and other research responsibilities of the Commission.

Floor Amendments (Continued)

Floor Amendment No. 1 to **SB 66**, by Representative Mason:

Amend printed copy of **SB 66/GA** on page 3, after line 17 by adding:

"Section 2. KRS 304.20-040 is amended to read as follows:

(1) As used in this section:

(a) "Policy" means an automobile liability insurance policy, delivered or issued for delivery in this state, insuring a single individual or husband and wife resident of the same household, as named insured, and under which the insured vehicles therein designated are of the following types only:

1. A motor vehicle of the private passenger or station wagon type that is not used as a public or livery conveyance for passengers, nor rented to others;

2. Any other four-wheel motor vehicle with a load capacity of fifteen hundred (1500) pounds or less which is not used in the occupation, profession, or business of the insured; provided, however, that this section shall not apply:

a. To any policy issued under an automobile assigned risk plan;

b. To any policy insuring more than four (4) automobiles; or

c. To any policy covering garage, automobile sales agency, repair shop, service station, or public parking place operation hazards;

(b) "Automobile liability insurance policy" includes only coverage for bodily injury and property damage liability, basic reparations benefits and the provisions therein, if any, relating to medical payments, uninsured motorists coverage, and automobile physical damage coverage;

(c) "Renewal" or "to renew" means the issuance and delivery by an insurer of a policy replacing at the end of the policy period a policy previously issued and delivered by the same insurer, or the issuance and delivery of a certificate or notice extending the term of a policy beyond its policy period or term; provided, however, that any policy with a policy period or term of less than three (3) months shall for the purpose of this section be considered as if written for a policy period or term of three (3) months. Provided, further, that any policy written for a term longer than one (1) year or any policy with no fixed expiration date, shall for the purpose of this section, be considered as if written for successive policy periods or terms of one (1) year, and such policy may be terminated at the expiration of any annual period upon giving seventy-five (75) days' notice of cancellation prior to such anniversary date, and such cancellation shall not be subject to any other provisions of this section; and

(d) "Nonpayment of premium" means failure of the named insured to discharge when due any of his obligations in connection with the payment of premiums on a policy, or any installment of such premium, whether the premium is payable directly to the insurer or its agent or indirectly under any premium finance plan or extension of credit.

(2) (a) A notice of cancellation of a policy shall be effective only if it is based on one (1) or more of the following reasons:

1. Nonpayment of premium; or

2. The driver's license or motor vehicle registration of the named insured or of any other operator who either resides in the same household or customarily operates an automobile insured under the policy has

been under suspension or revocation during the policy period or, if the policy is a renewal, during its policy period or the one hundred eighty (180) days immediately preceding its effective date;

(b) This subsection shall not apply to any policy or coverage which has been in effect less than sixty (60) days at the time notice of cancellation is mailed or delivered by the insurer unless it is a renewal policy;

(c) Modification of automobile physical damage coverage by the inclusion of a deductible not exceeding one hundred dollars ($100) shall not be deemed a cancellation of the coverage or of the policy; and

(d) This subsection shall not apply to nonrenewal.

(3) No notice of cancellation of a policy to which subsection (2) of this section applies shall be effective unless mailed or delivered by the insurer to the named insured at least twenty (20) days prior to the effective date of cancellation; provided, however, that where cancellation is for nonpayment of premium at least fourteen (14) days' notice of cancellation accompanied by the reason therefor shall be given. This subsection shall not apply to renewals.

(4) A notice of nonrenewal of a policy shall be effective only if it is based on one (1) or more of the following reasons:

(a) Nonpayment of premium;

(b) Fraud or material misrepresentation affecting the policy or insured; or

(c) A substantial increase in the hazard insured against.

(5)[~~(4)~~] No insurer shall refuse to renew a policy of automobile insurance solely because of the age of the insured.

(6)[~~(5)~~] No insurer shall fail to renew a policy unless it shall mail or deliver to the named insured, at the address shown in the policy, at least seventy-five (75) days' advance notice of its intention not to renew.

(7)[~~(6)~~] Renewal of a policy shall not constitute a waiver or estoppel with respect to grounds for cancellation which existed before the effective date of such renewal.

(8)[~~(7)~~] If the insurer has manifested its willingness to renew by mailing or delivering a renewal notice, bill, certificate, or policy to the first-named insured at his last known address at least thirty (30) days before the end of the current policy period with the amount of the renewal premium charge and its due date clearly set forth therein, then the policy shall expire and terminate without further notice to the insured on the due date, unless the renewal premium is received by the insurer or its authorized agent on or before that date. When any policy terminates pursuant to this subsection because the renewal premium was not received on or before the due date, the insurer shall, within fifteen (15) days, deliver or mail to the first-named insured at his last known address a notice that the policy was not renewed and the date on which the coverage under it ceased to exist.

(9)[~~(8)~~] (a) Proof of mailing of renewal premium to the insurer or its agent, when authorized, on or before the due date, shall constitute a presumption of receipt pursuant to subsection *(8)*[~~(7)~~] of this section.

(b) Proof of mailing of notice of cancellation or of intention not to renew or of reasons for cancellation or nonrenewal to the named insured at the address shown in the policy, shall be sufficient proof of notice.

(10)[~~(9)~~] No insurer shall impose or request an additional premium higher than its standard premium for automobile insurance, cancel or refuse to issue a policy, or refuse to renew a policy solely because the insured or the applicant is handicapped or a physically disabled person, so long as the handicap or physical disability does not substantially impair the person's mechanically assisted driving ability.

(11)[~~(10)~~] When an automobile liability insurance policy is canceled other than for nonpayment of premium, or in the event of failure to renew a policy of automobile liability insurance to which subsection *(4)*[~~(5)~~] of this section applies, the insurer shall notify the named insured of his possible eligibility for automobile liability insurance coverage through the Kentucky automobile assigned risk plan. Such notice shall accompany or be included in the notice of cancellation or the notice of intent not to renew. Such notice shall also inform the insured that he may, within four (4) days, request the commissioner in writing to determine whether there is sufficient reason to cancel or not to renew the policy. Within fourteen (14) days of receiving such a written request, the commissioner shall send his findings to the insurer and to the insured. When he sends his findings, the commissioner shall notify both parties of their right to request a hearing under KRS 304.2-

310(2)(b).

(12)[~~(11)~~] The reason for nonrenewal or cancellation shall accompany or be included in the notice of nonrenewal or cancellation.

(13)[~~(12)~~] Except where the maximum limits of coverage have been purchased, every notice of first renewal shall include a provision or be accompanied by a notice stating in substance that added uninsured motorists, underinsured motorists, and personal injury protection coverages may be purchased by the insured.

(14)[~~(13)~~] There shall be no liability on the part of and no cause of action of any nature shall arise against the commissioner or against any insurer, its authorized representative, its agents, its employees, or any firm, person or corporation furnishing to the insurer information as to reasons for cancellation or nonrenewal, for any statement made by any of them in any written notice of cancellation or nonrenewal, or in any other communication, oral or written specifying the reasons for cancellation or nonrenewal, or the providing of information pertaining thereto, or for statements made or evidence submitted at any hearings conducted in connection therewith.".

Motions, Petitions and Communications (Continued)

The following members filed requests to have their names added as co-sponsors of Bills: **HB 445**, Representative Lile; **HB 752**, **HB 824**, Representative Farley; **HB 838**, Representative P. Clark.

Representative Keith moved that **HB 619** be withdrawn. Agreed.

Representative Keith moved that **HB 664** be withdrawn. Agreed.

Representative Geveden moved that **HB 439** be withdrawn. Agreed.

Representative McElroy moved that **HB 867** be withdrawn. Agreed.

Representative Farrow moved the adoption of the following **HR 190**:

HR 190, A RESOLUTION honoring the City of Berry, Kentucky upon the occasion of its One Hundred Twenty-fifth Anniversary.

WHEREAS, Berry, Kentucky, built at the edge of Licking River's South Fork, is the northern-most city in Harrison County with a population of 467 people; and

WHEREAS, Berry, Kentucky was once a thriving, prosperous community with working mills, a hotel, a mercantile company and bank, but the chains of progress and the removal of the railroad were instrumental in decreasing its population, reducing it to a smaller town, not unlike so many that come before; and

WHEREAS, Berry, Kentucky, rich with character and tradition, celebrates the Berry Festival each summer season; and;

WHEREAS, 1992 marks the celebration of Berry, Kentucky's one hundred twenty-fifth anniversary;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That on this, its one hundred twenty-fifth anniversary, this honorable body congratulates and commends Berry, Kentucky for its existence as a long standing community, abundant with memories of a time long forgotten and inspired by memorabilia collected by its townspeople.

Section 2. That when the House of Representatives adjourns this day, it does so in honor of the occasion of the one hundred twenty-fifth anniversary of Berry, Kentucky.

Section 3. That the Clerk of the House is directed to transmit a copy of this Resolution to the Honorable Alson Cole, Jr., Mayor, City of Berry, Berry City Hall, Berry, Kentucky 41003.

HR 190 was adopted by voice vote.

Representative Barrows moved the adoption of the following **HR 75**:

HR 75, AN ACT relating to administrative regulations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 13A.230 is amended to read as follows:

(1) The administrative body shall attach the following forms to the back of the original and each copy of a proposed administrative regulation:

(a) Regulatory impact analysis;

(b) Tiering statement;

(c) Local mandate impact statement ***and the fiscal note required by KRS 6.950 to 6.965***, if the administrative regulation relates to any aspect of local government or any service provided ***by a local government*** [~~thereby~~];

(d) Federal mandate comparison, if applicable; and

(e) The summaries provided for in KRS 13A.2261, 13A.2264, and 13A.2267, if applicable.

(2) The forms required by subsection (1) of this section shall be obtained from the regulations compiler.

HR 75 was adopted by voice vote.

Representative Donnermeyer moved the adoption of the following **HR 192**:

HR 192, A RESOLUTION recommending that the Interim Joint Committee on Cities review issues relating to affordable housing.

WHEREAS, the availability of affordable housing is of great overall benefit to the citizens of the Commonwealth; and

WHEREAS, the issues surrounding the provision of affordable housing are extremely complex; and

WHEREAS, the Interim Joint Committee on Cities began to review matters relating to affordable housing during 1991; and

WHEREAS, the General Assembly desires that all the people of the Commonwealth be able to afford adequate housing;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives recommends that the Interim Joint Committee on Cities continue to review issues relating to affordable housing including, but not limited to, regulatory barriers that affect the development and construction of such housing.

Section 2. That the Clerk of the House of Representatives transmit copies of this Resolution to Representative William Donnermeyer and Senator Danny Meyer, co-chairmen of the Interim Joint Committee on Cities.

HR 192 was adopted by voice vote.

Representative Donnermeyer moved the adoption of the following **HR 193**:

HR 193, A RESOLUTION recommending a review of how local government officials are compensated in the Commonwealth.

WHEREAS, the proper compensation of local government officials is beneficial to the health of the local governments of the Commonwealth; and

WHEREAS, it is important that compensation levels throughout the Commonwealth accurately reflect the responsibilities and duties of officials; and

WHEREAS, the General Assembly may decide that it is necessary to amend the salary restrictions the Constitution has placed on local government officials based on present economic conditions;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives recommends that the Interim Joint Committee on Cities review the compensation levels of local government officials in the Commonwealth, assessing the adequacy of present salaries in compensating officials for their responsibilities in light of modern economic conditions, and that the Interim Joint Committee develop any legislative proposals it deems appropriate.

Section 2. That the Clerk of the House of Representatives transmit copies of this Resolution to Representative William Donnermeyer and Senator Danny Meyer, co-chairmen of the Interim Joint Committee on Cities.

HR 193 was adopted by voice vote.

Representative Pritchett moved the adoption of the following **HR 189**:

HR 189, A RESOLUTION urging the Department of Highways to design road projects in a manner that will reduce drainage problems on Kentucky farmland.

WHEREAS, the construction and reconstruction of state highways often cross Kentucky's farms, streams, and sometimes alters the natural drainage way of the area; and

WHEREAS, upon completion of a highway project, the Department of Highways often leaves these altered drainage systems without adequate outlets; and

WHEREAS, in some instances, drainage problems are created that did not exist prior to the highway project due to concentrated water runoff from the new construction;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the members of the House of Representatives support the Kentucky Association of Conservation Districts in their concerns over drainage problems on Kentucky farmland that result from highway construction.

Section 2. That the House of Representatives urges the Department of Highways to design road projects in a manner that will reduce drainage problems on Kentucky farmland.

Section 3. That a copy of the Resolution is to be sent to the Governor and the Secretary of the Transportation Cabinet.

HR 189 was adopted by voice vote.

Representative Worthington moved that the rules be suspended for the purpose of recording a vote. Agreed.

Representative Worthington moved that his vote be changed from "yea" to "nay" on Floor Amendment No. 7 to the Committee Substitute to **HB 468**. Agreed.

Representative Napier moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Napier moved that he be recorded as voting "yea" on Floor Amendment No. 8 to the Committee Substitute to **HB 468**. Agreed.

Announcements

The following meeting was announced:

Natural Resources and Environmental Protection, Regular Meeting.

Adjournment

Representative Stumbo moved that the House adjourn until 2:00 p.m., Thursday, March 12, 1992.

On the roll call the vote was yeas 83—Ackerson, Adkins, Altman, Ark, Arnold, Ballard, Barrows, Bentley, Blandford, Bowling, Brown, Bruce, Bryant, Butler, Callahan, Castleman, L. Clark, P. Clark, Clarke, Collins, Crupper, Curd, Cyrus, Donnermeyer, Farley, Farrow, Ford, Freibert, Gee, Gedling, Geveden, Gray, Gregory, Hancock, J. Harper, K. Harper, Hatcher, Jensen, Johnson, Jones, Keith, Kerr, Lear, Lewis, Lile, Lyne, Mack, Maggard, Mason, McElroy, Moberly, Mullinix, Napier, Nelson, Noe, Noland, Northup, Nunn, Overstreet, Palumbo, Pritchett, Rapier, Ravenscraft, Reinhardt, Richards, Richardson, Ridley, Riggs, Riner, Sanders, B. Smith, R. Smith, T Smith, Strong, Stumbo, Todd, Turner, Walker, Ward, Williams, Worthington, Yates, Zimmerman. Nays 4—Bronger, Casebier, Heleringer, LeMaster.

The motion to adjourn was adopted.